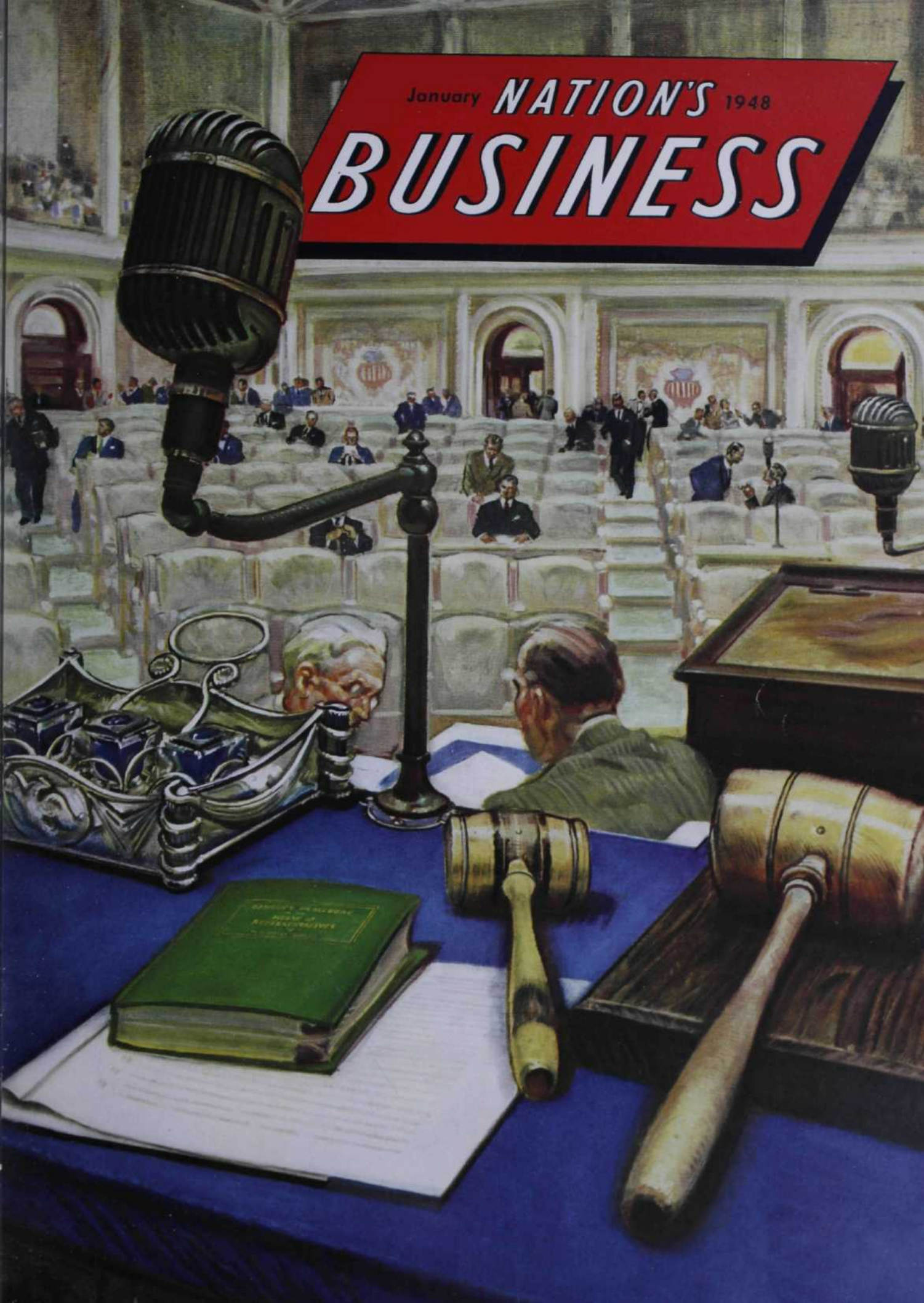

January
NATION'S
1948
BUSINESS

Before choosing any printing paper

Look at Levelcoat*



Look at Levelcoat... for brightness

Sparkling as Arctic starlight is the clear brilliance of Levelcoat* printing paper. For the brightness of Levelcoat is more than surface deep; it begins with a skillful blend of "brightness" fibers in the very pulp itself. And with a lustrous coating of specially selected clays, Levelcoat emerges in fullest beauty.

Look at Levelcoat... for smoothness

Here's a printing surface that's as smooth as upland snow! That's because it's so uniformly coated by Kimberly-Clark's precision-controlled method . . . using clays that might pass as face powder, they're so soft, so clean, so flour-fine. Let the soft glow of Levelcoat papers spotlight your printed message!

Look at Levelcoat... for printability

Advertisers like Levelcoat for its printing qualities which make color sing or black type snap with contrast. Printers like its character—and the uniformity which gives trouble-free performance ream after ream, run after run. Try this beautiful paper yourself—and give your printing the Levelcoat lift.

IT PAYS TO LOOK AT LEVELCOAT

Levelcoat* PRINTING PAPERS

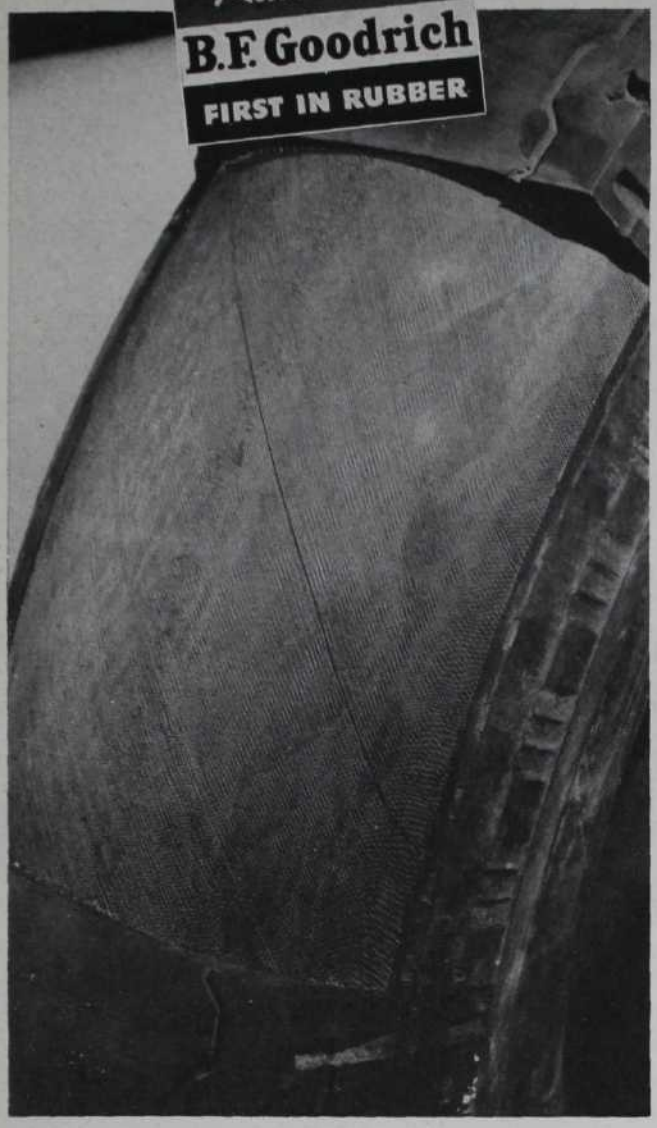
A product of Kimberly Clark Research

Levelcoat printing papers are made in the following grades: Trufect†, Kimfect†, Multifect† and Rotofect†.*

KIMBERLY-CLARK CORPORATION, NEENAH, WISCONSIN

*TRADEMARK
†T. M. REG. U. S. PAT. OFF.

Research keeps
B.F.Goodrich
FIRST IN RUBBER





Which is nylon?

A typical example of B. F. Goodrich improvement in tires

THE unretouched photograph on the left shows the nylon shock shield directly beneath the tread of a B. F. Goodrich truck tire which had 43,184 miles of actual highway service. Hardly a cord is damaged! The tire was good for recapping—possibly several times.

Compare the photograph on the right which shows what happened directly beneath the tread of a truck tire without the nylon shock shield during 38,147 miles of the same kind of service. Those frayed, broken cords were caused by millions of sharp impacts . . . by the relentless pounding that so often leads to bad bruises, blow-outs, and the scrap pile before the tire is actually worn out.

The reason for the tremendous difference—so accurately pictured above—is the *nylon shock shield* now built in right under the tread of every B. F. Goodrich truck tire size 8.25 and larger.

Nylon shock shields in new B. F. Goodrich truck tires give extra protection to the rayon cord body. Result, a four-way saving for truck owners: (1) Average tire mileage is increased; (2) Tires have greater resistance to bruises; (3) There's less danger of tread separation; (4) More tires can be recapped.

The development of truck tires with nylon shock shields is typical of the constant improvement being made in all types of B. F. Goodrich tires. From B. F. Goodrich you get truck tires built with a weftless rayon cord body. From B. F. Goodrich you get the added protection of nylon shock shields.

Though nylon makes tires more expensive to build, these new B. F. Goodrich truck tires sell at regular prices. *The B. F. Goodrich Company, Akron, O.*

Truck Tires BY

B.F. Goodrich

NEW TRUCKS-



NEW Styling

You're looking at the most attractive trucks ever designed. Wide, massive . . . DESIGN with a PURPOSE . . . combining appearance with comfort, safety, performance, economy, and ease of handling.

NEW Ease of Handling

Less turning space needed . . . right or left. Better weight distribution

Remarkable new ease of handling and driving is yours in these new "*Job-Rated*" trucks. You can turn them in much smaller circles. You can park, back into alleys or up to loading platforms with much greater ease. You get all this with a new type of steering, in combination with shorter wheelbases that accommodate full-size bodies, and the roomier, longer cabs.

You get much better weight distribution, too, with this new design. Front axles have been moved back, and engines forward. This places more of the engine and cab weight on the front axle. Loads are more evenly distributed.



NEW COMFORT



⑦ **7-INCH SEAT ADJUSTMENT.** . . with safe, convenient hand control.

① **PLENTY OF HEADROOM.**

② **STEERING WHEEL** . . . right in the driver's lap.

③ **NATURAL BACK SUPPORT** . . . adjustable for maximum comfort.

④ **PROPER LEG SUPPORT** . . . under the knees where you need it.

⑤ **CHAIR-HEIGHT SEATS** . . . just like you have at home.

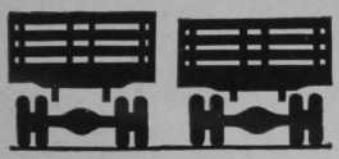
⑥ **"AIR-O-RIDE" CUSHIONS** . . . adjustable to weight of driver and road conditions.

ALL THIS... and more...with the NEW DODGE

REALLY NEW!

NEW Stakes

. . . with lower loading heights

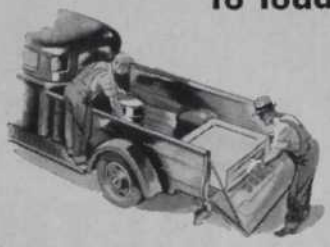


OLD NEW

Note the *lower* loading height of these new "*Job-Rated*" Stakes. Available in conventional and cab-over-engine models, and with 7½, 9, 12 and 14-foot bodies. Longer service is assured by sturdier construction, featuring *steel* longitudinal sills, *not* wood.

NEW Pick-ups

. . . bigger, easier to load



You have much more load space in these wider, deeper Pick-ups. Bodies are built to last longer. The floor is hardwood. Cross sills are steel. Side panels are one piece. Available in 6½, 7½ and 9-foot body lengths.

NEW Panels

. . . high, wide and handsome



NEW HEIGHT!

Florists, dry cleaners and others will appreciate the new inside height (54⅝ inches). Rear doors, too, are especially high (45¾ inches) . . . supported by wide pillars.

NEW WIDTH!



They're 62 inches wide inside! Skid strips are welded to the subfloor. This adds to the weather- and dust-sealing feature of these bodies.



NEW LENGTH!

Linoleum, rugs, etc., are easily accommodated (interior—85 inches long). Total load space is 155 cu. ft. Steel roofs add strength, improve appearance.

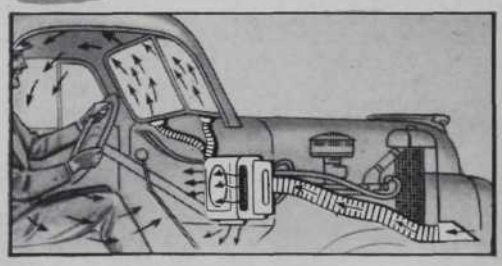
NEW "Pilot-House" Cabs with all 'round vision



Note the tremendously increased *vision* of these cabs. Windshields and windows are higher and wider. New rear quarter windows add still more to vision, and to safety.

With this increased glass area throughout, you get "Pilot-House" vision . . . in *all* directions. With welded all-steel construction, they're the *safest* cabs ever built.

NEW All-Weather Ventilation



You drive in comfort whether it's 10° below or 100° above. Available is an ingenious combination of *truck* heater, defroster vents, vent windows, cowl ventilator, and a new fresh air intake from behind the front grille. It's the *finest* "All-Weather" heating and ventilating system ever installed in a truck cab.

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- Cost Reduction
- Wage Incentive
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Nation's Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 36 — JANUARY, 1948 — NO. 1

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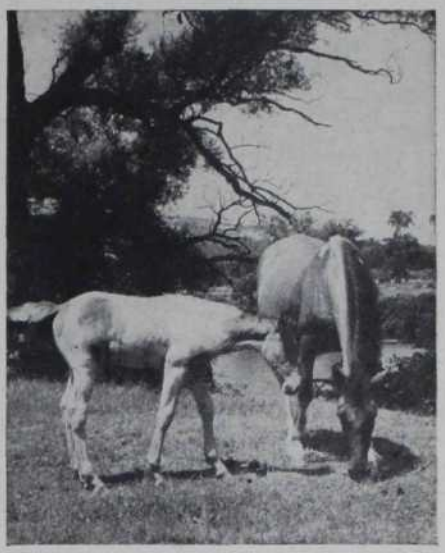
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Nice Place to Raise a Family...



NEW HAMPSHIRE

"Where there's a Plus in every pay envelope"

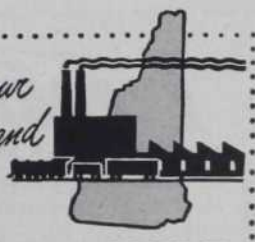
More important than wage alone, is the kind of living it buys. In New Hampshire, workers enjoy every day an environment available to many others only during precious days of vacation. This is in a large measure responsible for New Hampshire's excellence as an industrial location. Those who live well, work well!

Along with an environment which favors happy, healthful living, you'll find that low power rates, proximity to mass markets of national importance and a highway system of year-round excellence all join to further emphasize the ideal nature of New Hampshire as a home for small and medium sized industry.



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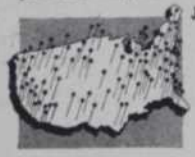
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About Our AUTHORS

FOR many years **GERALD W. JOHNSON** was an editorial writer for the Baltimore *Sunpapers*. Then, about 1943, he began hitting the magazine jackpot and turned to free-lance writing, even trying his hand for the movies. Back in Baltimore he is remembered by his former associates as an incredible reader—at least one detective story a day—and an incredible writer—he could turn out three editorials in something like an hour. Of course, all his writing hasn't been confined to newspapers and magazines. He is the author of more than a dozen books, including "A Little Night-Music." We mention this because Johnson is an ex-amateur musician.

SAUDI ARABIA is something of an old stamping ground to **JOHN C. HENRY**, Sunday editor of the Washington *Star*. His first trip there was in the spring of 1943 when, as an Army officer, he accompanied Maj. Gen. Patrick J. Hurley on a special mission to Riyadh to see King Ibn Saud. In the course of the next 12 months Henry paid several other visits to the country. The result was that he spent more of his overseas time in the Middle East than in any other theatre of operations. Then, as a civilian, he returned to Saudi Arabia for a five-week trip for his paper this fall. Henry is a graduate of Brown University and a former president of the White House Correspondents Association.



KEEPING track of the day-to-day activities of Congress is one thing. A far more difficult task is getting a line on what this body hopes to accomplish next year. Anyway, **J. LACEY REYNOLDS** undertook to write such a story for NATION'S BUSINESS. As soon as Congress reconvened last November he began buttonholing various leaders to get the inside dope on what to expect of the 1948 regular session and wound up with "As Congress Faces Bills and Ballots."

This is the second congressional preview Reynolds has done for us. The first was "New Performers Under the Big Top," which told about the "not-so-old men who are the future leaders of the Grand Old Party."

Covering the Washington scene for a group of newspapers has been his primary job since 1938—except for a period during the war.

WHEN we wrote to **JOHN T. WINTERICH** telling him how much we enjoyed his new book, "Another Day, Another Dollar," we suggested he write a yarn for us about how good were the good old days. From the start he was one jump ahead of us. Even before he received our letter, he had begun to assemble reference material and had carried, in his head, the opening sentence: "I often wonder what became of the good old days of 1913." This was the year that Winterich began a journalistic career which has led to such positions as managing editor of the *Stars & Stripes*, in Paris, during World War I, and M. E. of the *Saturday Review of Literature*, not so long ago. He is now an editorial adviser to that magazine as well as to *The New Yorker*.

A MONTH or so ago, in the course of a conversation with Dr. Donald Covalt, then director of the Veterans Administration's rehabilitation program, **SAM STAVISKY** learned of the human-restoration projects at the Minneapolis veteran's hospital and at the Pittsburgh poorhouse. The doctor's enthusiasm over the success of these pioneer programs aroused Sam's war-born interest in the problems of the physically handicapped. Three days later Sam was flying west to see for himself what was being done to bring "New Life for the Hopeless."

EVIDENTLY, tangling with the West Coast's big-scale fruit and vegetable business—even for a short while—was a harrowing ordeal for **KEITH MONROE.** Soon after his manuscript on produce traders had been received, we got word that he had taken off for parts distant. How distant is evidenced by the fact that he soon had 20 miles between himself and the nearest post office and seven miles to the nearest phone. He stayed there for a month until he returned to Santa Monica, Calif., to resume his free-lance writing.

The first million



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One million motors have rolled off the mass precision production lines of Jack & Heintz Plant No. 7 since May, 1946 when this Company introduced its fractional horsepower motors. And, with output and acceptance steadily increasing, J & H has become a dominant force in the electric motor field.

Users report that these motors are giving *unsurpassed performance* . . . powering many types and makes of home appliances, office machines, tools and manufacturing equipment in practically every industry.

This typifies Jack & Heintz progress in all fields . . . *to give you better products.*



Aircraft Starters

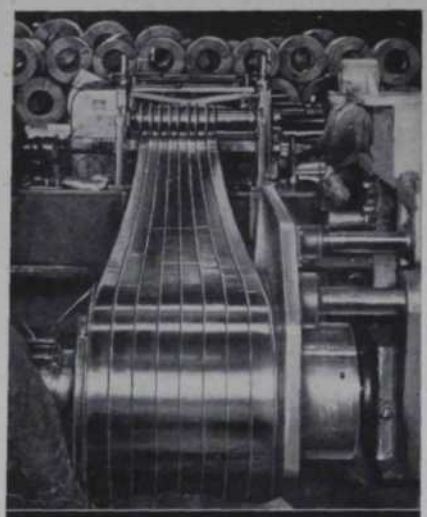


Aircraft Inverters



Aircraft Generators

JACK & HEINTZ PRECISION INDUSTRIES, INC., *Cleveland 1, Ohio*



Fast, Accurate, Low Cost
SLITTING
of COILED STRIP
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The per ton or per mile cost of slitting flat rolled metal with Yoder equipment is so low as to astonish many fabricators and jobbers who have heretofore been dependent upon others for slit-to-width stock. If your requirements are considerable, it will pay you to investigate.

Yoder Gang Slitters in recent years have jumped into first place among American metal working industries. This preference is due to over 30 years of continuous engineering development and a close study of the needs of the vast majority of actual and potential users of gang slitters. As a result, Yoder slitters have been perfected and standardized for handling stock up to .125" thick and 36" wide. Larger sizes are also built. The benefits are many—great simplicity; quick, accurate change and adjustment of cutters; and other features which contribute to low operating and maintenance cost.

Yoder also leads in the making of cold-roll-forming machines, resistance weld tube mills and auxiliary equipment for conversion of sheet, strip and plate metal into finished products or components.

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COLD FORMING
YODER
SLITTING AND
TUBE MILL MACHINERY

NB Notebook

This may be It!

FOR those who have not lost their zest for excitement, we offer a brand new year, 1948. This may be It!

In main show and side-shows try and surpass what is coming up. A presidential election, ERP, inflation answers, trade agreements, third-round wage boosts, tax reduction, food shortages, atomic and jet developments.

Our national slogan in World War I was, "Let's Go!" In World War II Kilroy certainly got around, but the sense of things was conveyed in the phrase, "What's new?"

Here it is—and a Happy New Year!

Forecasts

A YEAR ago, the business forecasts were swinging rather strongly toward expecting another 1920. Prices were rising fast and inventories were expanding rather rapidly in an unbalanced way.

The parallel of post-World War II to World War I was emphasized.

A repetition of 1920 did not come off.

Retailers reduced sail in the booming breeze. They staged a tug-of-war with manufacturers on prices after Easter, meanwhile lightening ship of the extra weight of excessive inventories.

This price crusade of the retailers might have been successful except for three developments. Higher steel prices came out of the coal-wage settlement, corn got short and the Marshall plan was brought forward. Inflation was thus given another flip.

Some business prophets, as the year begins, will say it might have been better to go through an adjustment in June, 1947, because its postponement will make matters worse. The majority no doubt will take the more cheerful view that there is nothing dark or even gray on the immediate horizon.

Inflation medicine

WHATEVER steps have been or may be taken to check inflation, fiscal authorities are pretty well agreed that what people save out of their incomes is the most important factor. Inflation thrives when production cannot keep pace with spending, and sickens on a diet of saving.

Savings do not disappear, of course. The money is used in the form of loans and, until curtailed consumer demand definitely appears, these loans may create an inflation of their own when they serve as a basis for expanded inventories and plant. However, this influence is on the side of increased production which eventually curbs the upward price spiral.

Our rate of saving as compared to national income reached a high point in 1944 when the total was $35,600,000,000 or 24.4 per cent. For the year just ended the percentage had slumped to 6.7 per cent or $11,800,000,000.

Our economic doctors want that percentage to rise again.

Threescore and ten

LIFE insurance companies starting this month have tossed away the American Experience table, which was constructed more than 75 years ago. In its place the companies will use the C. S. O. (Commissioners 1941 Standard Ordinary Mortality) table, reflecting the actual experience of life insurance companies in the country during the ten-year period 1930-40. The new table represents the largest body of insurance mortality experience ever used in the construction of a mortality table.

Meanwhile, as a headline writer puts it, "Life Is Catching Up to the

Bonus* Built

THE AMAZING RESULT OF AN ENGINEERING PRINCIPLE THAT ASSURES LONGER TRUCK LIFE ... And ONLY Ford Trucks Have It!

Coming for 1948—a great new line of Ford Trucks . . . *new all through* . . . and Bonus Built, *too!*

Soon you'll see the great new line of Ford Trucks—great not only because they are *new all through*, but because they are the amazing result of a time-proved truck building principle.

This principle is Ford Bonus Built construction. Here's what it means to you:

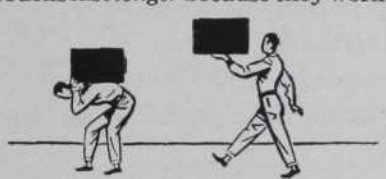
Every one of the new Ford Trucks for '48 is built with *extra strength* in every vital part. This extra strength provides WORK RESERVES that pay off in two important ways:

First, these Bonus Built WORK RESERVES give Ford Trucks a greater *range of use* by permitting them to handle loads beyond the normal call of duty. Ford Trucks are not limited to doing one single, specific job!

Second, these same WORK RESERVES allow Ford Trucks to relax on the job . . . to do their jobs with less strain and less wear. Thus, Ford Trucks last *longer* because they work *easier!*



Not ONE Capacity . . . but real RANGE when needed!



The load is carried EASIER by the stronger man!

Remember, every Ford Truck for '48 is Bonus Built for longer life, wider use. Keep in touch with your Ford Dealer . . . plan to see these new Ford Bonus Built Trucks for '48 as soon as announced. Don't settle for less—get the only truck that's Bonus Built! It's Ford!

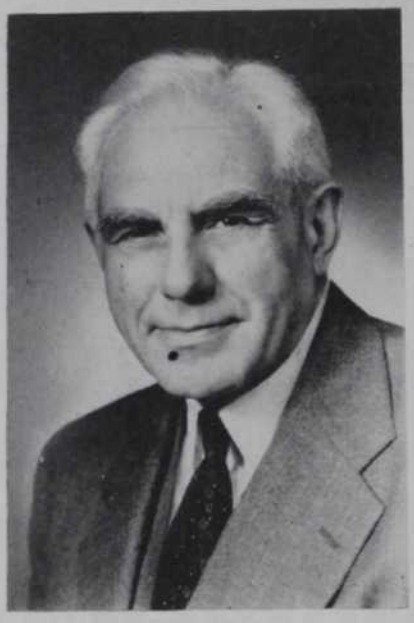
***BONUS:** *"Something given in addition to what is usual or strictly due."—Webster's Dictionary.*

Listen to the Ford Theater over NBC stations Sunday afternoons, 5:00 to 6:00 p. m., E.S.T.

LIFE INSURANCE EXPERTS PROVE . . . FORD TRUCKS LAST UP TO 19.6% LONGER!

Business Reviews The New National Guard

By Earl O. Shreve,
President, United States Chamber of Commerce



TO STRENGTHEN your faith in the future of the United States, drop in on your local National Guard unit some evening. Observe a cross section of American youth earnestly playing, working and training together under competent direction.

These young men, many of whom wear combat ribbons, are giving generously of their "after-hours" time to better themselves mentally and physically for the opportunities and challenges to which they will fall heir. May those occur in the coming years of peace. If they do not, these same purposeful men are equipping themselves for leadership in the grimmer operations of national defense.

For, with the major portion of the regular Army serving as armed representatives of our country in foreign fields, the *new* National Guard literally is the only instantly available force to repel aggression. It must grow bigger, stronger . . . NOW! To do so, it needs your full cooperation.

To their employees who are members of the National Guard, many of America's finest concerns grant special leave of absence that they may maintain their Guard status. This is a commendable and patriotic practice and I hope other employers will follow it.

☆ ☆ ☆

For complete information about the National Guard unit in your community, contact the officers of that unit or write to the Adjutant General of your state.

Here's how the National Guard Helps You...

Pay ★ Education
Fellowship ★ Training
Sports ★ Leadership

Write or visit your community's unit of the

NATIONAL GUARD
of the United States

Bible." The average length of life has increased 25 years in the past century, according to the Metropolitan Life Insurance Company. Fossil remains prove the average was 18 years in the Stone Age. A Noble Roman on the average was noble only 25 years. In 1850 the average was 40 years and now it is 65.

Within the next ten to 20 years the Biblical target of threescore and ten should be reached, according to insurance experts.

Mass distribution

DISTRIBUTION has been a bit slower than production to wheel toward mass volume and the methods required to attain it. True, the department store is no newcomer and long ago it made its bid for volume with "everything under one roof." Nor is the chain store system any beginner, or the mail order company.

However, a real demonstration of mass distribution is only now under way as one type borrows features from competing types. Department store chains are expanding country-wide. Big city institutions are adding branches. Chain stores have long since given up nickel and dime and price range merchandising. They have jumped into department store operation. Mail order companies have store operations that are exceeding catalog volume. The supermarket technique of self-service is spreading to all types of distribution.

Mass distribution, in short, is coming along. A big metropolitan store apologizes for its inadequate phone service on business days—and introduces order takers with Sunday hours!

Easier traveling

THE AUTOMOBILE industry is taking a pat on the back for itself. The railroads, it seems, are borrowing a few of its techniques. One is the use of roller bearings and another calls for "balanced wheels."

Both are designed to provide easier travel. Roller bearings permit the train to start without drag and therefore more smoothly, and to continue without "hot box trouble." Balanced wheels mean less hopping and pounding on the rails.

As rail service becomes more comfortable, and the drive is certainly in that direction, the automobile industry may learn that it has not enjoyed the last laugh. More people may decide to travel



NOW...

only ripples of OFFICE sound



In the new Remington Rand electric adding machine, cushioned power gives welcome relief from harsh office clatter. You'll turn out more work with new ease on this quieter, faster model—with its longer, streamlined motor bars and famous 10-key touch-control keyboard. All feature keys are electrified—you add, subtract, multiply directly—as fast as your fingers will move. For full details, call your local Remington Rand representative or Dept. NB-1, 315 Fourth Avenue, New York 10.

Cushioned Power: Built-in steel cushions reduce noise and vibration—lessen strain on moving parts—insure smoother operation and longer life.

Streamlined Action: Longer, feather-touch motor bars and compact 10-key keyboard eliminate finger groping, speed every operation. Completely electrified.

the new* Remington Rand *electric adding machine



IN THE DARK SILENCE OF THE NIGHT

Bell Telephone service isn't a 9 to 5 service: It is one of the few services in the world that are always available to the public . . . twenty-four hours a day, Sundays and holidays.

In the dark silence of the night there is one light forever burning — one voice that is never stilled.

That light is the light of the Bell Telephone Exchange. That voice is the voice of your telephone. Its very presence brings a feeling of security, whatever the need or the hour.

Service in some countries shuts down with the end of the day. Bell System service keeps on going the whole twenty-four hours of the day and night, Sundays and holidays.

It costs us more that way but we know that is the way you'd like to have it.

BELL TELEPHONE SYSTEM

on trains and avoid the hazards of the "open road" where every man is his own engineer—and a tired one sometimes.

Polls

USING the example of one of our biggest industrial organizations which went to much expense in fixing up a pension plan that its workers rejected, Alvin E. Dodd, president of the American Management Association, maintains that unions as well as management ought to know what "cooks."

When it is wise, management attempts to find out what the thinking is among its customers and even in the ultimate marketplace. It should also try to know what its employes are thinking. And so should the unions, Mr. Dodd writes in a recent bulletin to his membership.

"Both unions and management," he explains, "suffer the penalties of bigness, and this tendency appears to be inherent in the times in which we live.

"The solution seems to lie in evolving techniques which will make the large organization as responsive to the will of the individuals who make it up as the small one is likely to be.

"Employe communication with companies and unions would certainly be an area for constructive cooperation on the part of both parties.

"Ideally this cooperation should take the form of one helping the other honestly and objectively to learn employe attitudes and opinions on day-to-day conditions."

That new car

LOTS of people here are having trouble buying that new car. For some 5,000,000 the difficulty was resolved last year because about that many cars were produced.

The Automobile Manufacturers Association figured out that an American plant produces one car a minute.

The biggest Russian plant, the Zis works in Moscow, produces one car a day.

In the Balkans last fall the first truck plant was set up. Plans call for 12,000 trucks in the next five years. It takes American plants three days to turn out 12,000 trucks.

Open house

TIME was when a city's biggest industry was housed in a prisonlike pile of gray masonry rimmed with

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Quick Source of Money

help your business make more profit?

MANUFACTURERS AND WHOLESALERS have discovered that they can secure many advantages . . . not offered by commercial time loans . . . under our Commercial Financing Plan. In the past five years they have used this plan to a total of more than ONE BILLION DOLLARS.

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Whether your business needs thousands or millions, send for our book, "A Better Way to Finance Your Business." It gives the complete story, with case histories and actual dollars-and-cents comparisons, of the cost of money under our plan vs. time loans. Just phone or write the nearest Commercial Credit Corporation office listed below.

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Insurance . . . and YOU

#2 of a series of informative articles on insurance and bonding.

How can employers guard against large dishonesty losses?

Your judgment in picking people for positions of trust may be of the very best, but it has to be based mainly on past records of character and integrity. It can give you no guarantee against future developments which may induce the most trustworthy employee to succumb to the combination of temptation and opportunity and become an embezzler.

Fidelity Bonds offer business management the only positive means for dealing with this employee dishonesty risk. Such protection in its most modern and highly perfected form can be provided for your organization through Hartford *Blanket* Fidelity Bonds which offer:

1. Repayment of losses of money, merchandise or other company property stolen by employees, whether or not the identity of guilty employees is known.
2. Coverage on *all* personnel—executives, sales staff, office and factory workers, watchmen and maintenance men, etc.
3. Hartford *Blanket* Bond rates are at the lowest point in history.
4. Automatic protection against personnel changes, eliminating the danger of uninsured losses.
5. Reduced record-keeping and handling expense, since it is unnecessary to report personnel changes or make premium adjustments during the bond term.
6. Freedom from personnel troubles—because Hartford *Blanket* Bonds cover *all* employees alike, there is no cause for any feeling of discrimination.

These and many other benefits of Hartford *Blanket* Fidelity Bonds are worth your consideration. Your Hartford agent or your own insurance broker will gladly furnish full information on request.

HARTFORD



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HARTFORD LIVE STOCK INSURANCE COMPANY

Writing practically all forms of insurance except personal life insurance
Hartford 15, Connecticut

forbidding walls and frowning guards. Happily, that day is passing.

The new scheme is for pleasing, if functional, architecture and landscaping in place of high fences.

"Plant tours" are accepted practice so that a whole new technique has been developed since the "No Admittance" signs were taken down and the welcome mat laid out.

Tours are encouraged for their influence upon public relations in general and specifically for community and employe relations, employe recruitment and training and customers relations at the Johnson & Johnson plant in New Brunswick, N. J.

The plants of the country may now be doing more business than the regular travel agencies. This is certainly "grass roots" education in the ways of free enterprise which once were shrouded behind forbidding walls.

Sharing production

BONUS payments at holiday time are welcome additions to employe income. Sometimes they may suggest, however, that the company could be still more generous.

The bonus plan itself, some personnel experts insist, smacks too much of paternalism when it is not hitched pointedly to "value received." Which is by way of mentioning the "Share of Production" plan operated by the Continental Paper Company, Ridgefield Park, N. J. Just before Christmas the company closed out its reserve account by distributing the funds to employes in proportion to their base pay.

The workers share 30.51 per cent of "Production Values," derived by deducting raw material, repair and supply costs from the "Net Sales Value of Production." From this sum the payroll is deducted.

The excess is paid out at four-week intervals as follows: 37½ per cent in cash, 37½ per cent to the employes retirement fund and 25 per cent to reserve.

If wages paid out exceed the current "Share of Production" account, the reserve is tapped. Just before Christmas and six months later, the reserve is distributed or the deficit absorbed by the company.

This is, therefore, a Christmas and vacation bonus with a difference. It was earned or not as the case might be and the workers have the details when revenue was up and down.

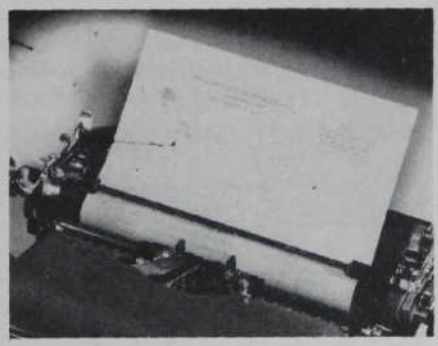
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She uses this low-cost, paper-like duplicating master, that can carry any business form.



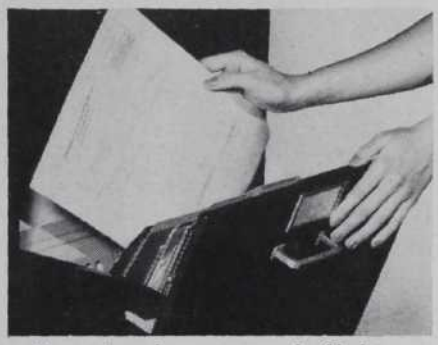
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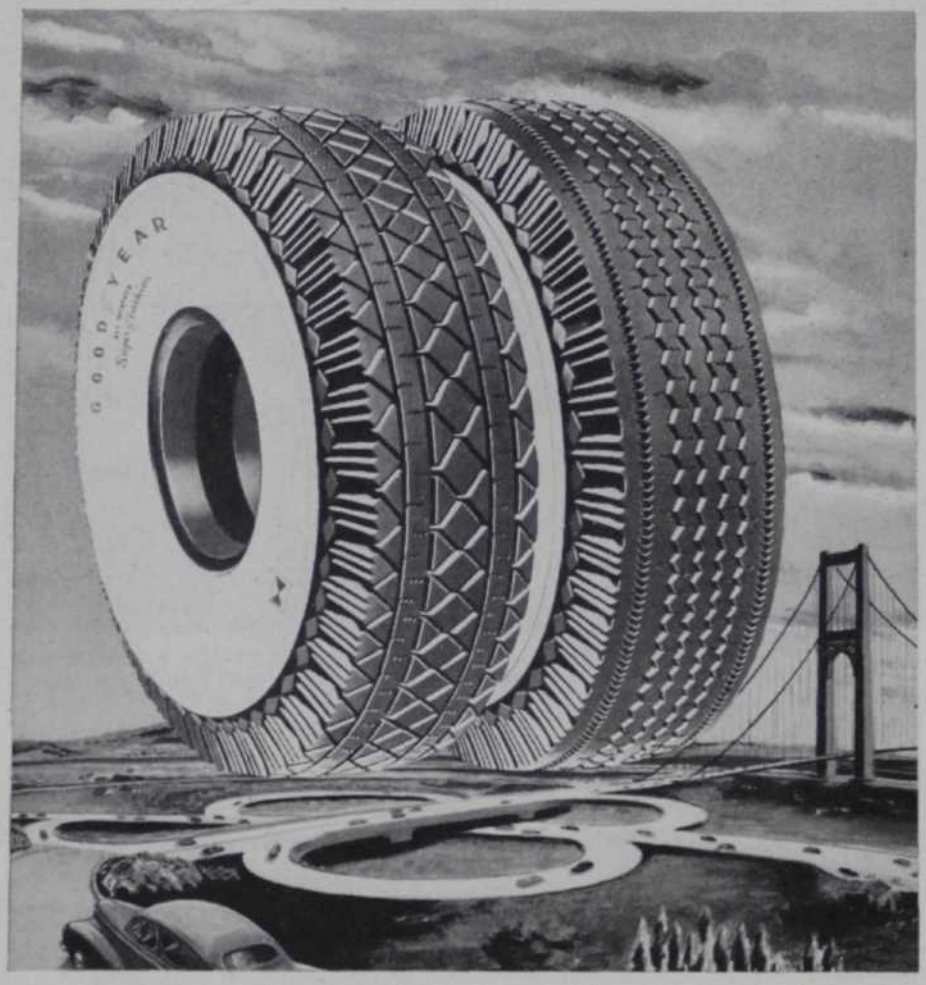
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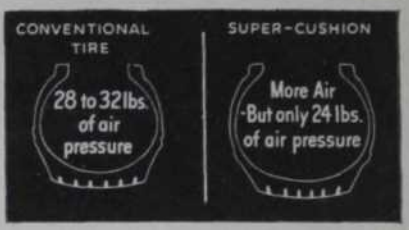
Why car makers adopted this new kind of tire

SUPER-CUSHION RUNS ON ONLY 24 POUNDS OF AIR; GIVES INCREDIBLY SOFTER RIDE, BETTER CAR HANDLING, MORE MILEAGE AND CAR ECONOMY!



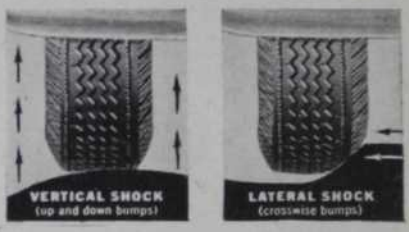
Car makers astonished—After testing the Super-Cushion, car makers said: "This tire makes a *big* improvement in the performance of modern motor cars. "It's the biggest tire advance in 15 years!" They quickly adopted it for their new cars. Here's why you'll want this remarkable new tire for your car . . .





1. Softer ride—safer, easier car handling! The Super-Cushion is a bigger, *softer* tire. It runs on only 24 pounds of air instead of 28 to 32. So you get a noticeably smoother, *softer* ride.

And you get a remarkable new ease and security in car handling. Your car *hugs* the road, seems to float through traffic, to *flow* around curves.



2. Actually lengthens the life of your car! Till Goodyear produced the Super-Cushion, lateral or crosswise shock (right) had never been licked in motor cars. Pillowy Super-Cushions *soak up* crosswise jolts, *soak up* vibration.

Result: *less driving fatigue, less wear and tear on your car, fewer rattles, fewer repair bills!*

3. More mileage—extra blowout resistance! Super-Cushions run cooler (heat is a tire's worst enemy). Softer, they "roll with the punch," are harder to cut, bruise or blow out. So Super-Cushions consistently average more mileage than the best standard tires.

Two other big advantages: 1. Super-Cushions make a small car ride like a big one. 2. They dress up the appearance of your car!

See your Goodyear dealer *now*. If he doesn't have your size at the moment, he'll have it soon.

For the smoothest, safest ride you've ever had, more mileage and lower car economy, switch to Super-Cushions, whether your car is old or new. They'll make a big difference on the road.

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

The new *Super-Cushion* by GOODYEAR



Super-Cushion T.M.—The Goodyear Tire & Rubber Company

MANAGEMENT'S Washington LETTER

▶YEAR AGO A BUSINESS analyst with a remarkable forecast record declared there would be no recession in 1947.

He struck his desk with his fist as he said it.

Now he says he finds no reason to expect a setback in '48.

But he's quit pounding his desk.

▶EXECUTIVES REACH TOP level by ability to foresee conditions, meet them profitably.

Looking at 1948 they see what International Harvester saw last month—rising cost of wages, materials and transportation.

And therefore rising prices.

They see employment reaching a new high, then settling back—along with other highs—as the most urgent of production demands are met.

Or as prices take the urgency out of demand.

They see a slightly greater steel production translated into more automobiles, nails, girders, critically needed machinery.

Thus they see greater demand for glass, tires, textiles, lead, lumber, innumerable other related materials.

Also greater requirements of insurance, finance, transport, other services necessary for manufacture, distribution of more goods.

And they make plans accordingly.

"But," they add, "let's consider this year's program a tentative outline.

"Let's go ahead on the basis of this outline. But we'll take another look in 60 or 90 days."

That note of caution is widespread in U. S. business plans today.

Why?

Three questions have more than usual importance in this year's business outlook:

1. Weather—You can't forecast it three months ahead.

Generally you don't need to. But grain is a key factor in the present price structure.

Exceptionally good or exceptionally poor grain growing weather would have certain, perhaps far-reaching, effect on world prices.

2. Controls—You can't tell how many of those requested by President Truman will be granted by Congress.

And you can't tell how many of those granted would be used.

So wait-and-see thinking holds up some enlargement, expansion plans.

Business and industry hesitate to build facilities that might be operated under government edict.

3. European stability—Here the question is: Can present governments stand through the winter?

If not, will they be replaced by governments acceptable to the U. S.?

In case new governments were not, Marshall plan and other trade might be chopped off along with market outlets.

Thus the "let's take another look in 60 or 90 days" attitude.

▶PASSAGE OF FIRST QUARTER will answer many critical business questions.

By March 31 you'll know—

What European governments have weathered the winter.

About what grain volume will be—African wheat is cut in May, French in June, U. S. in July.

A fairly clear outline of the U. S. legislative program, including taxes, controls.

The new wage pattern.

The higher level interest charges.

And you'll know consumer reaction to higher prices now going into effect.

▶LABOR PROBLEMS highlighted 1946.

Then came 1947, year of materials and supply problems.

And now comes 1948, year of money problems.

You'll think, talk, act on more money problems this year—individually, as head of a family, business, city, state or nation.

Rising prices will affect your wallet, your bank balance. You'll feel more, hear more of the high cost of living.

Individual debt will rise.

Business will be harassed by shortage of working capital, and higher financing costs.

More businesses will find big volume accompanied by unsatisfactory profit margin—because of high operating costs.

More will be whipsawed by inventory problems. Goods and materials will be more costly, tie up more money, therefore be more volatile.

Cities, counties, states, will find interest rates higher, as well as cost of the projects for which they seek to borrow funds.

Problems of federal finance will come to the surface as governments set up plans for financing long term European, Far Eastern rehabilitation.

Government bonds have been practically

MANAGEMENT'S Washington LETTER

par for so many years we've forgotten they can drop. But they can.

Some dropped to 84 in the adjustment after World War I.

▶IF MONEY GROWS LESS valuable—as it does when prices rise—remember, you'll need more of it in your business.

Better allow for that in your plans.

If money grows more valuable—as it does when prices drop—be careful you don't owe too much of it, individually or in your business.

▶COMFORTING THOUGHT DEPT., long range div.:

Prices come down when people won't pay them.

Thus demand sets prices. But prices don't always set demand. That's easily deferred.

Demand was terrific in 1920, for example, when recession hit. Customers had decided prices were too high.

When high prices (and a lot of businesses) were washed out, trade resumed —at prices that attracted customers.

In that case prices set demand.

But when the big depression brought comparatively much lower prices in the 1930's buyer response was negligible.

In that case price failed to arouse demand.

Here's a big difference in these situations:

In 1920 demand was still there, still intact. It had been building up for five or six years. It responded to price.

There followed nine straight years of improving business—filling accumulated and subsequent normal demands.

By 1930 these had been met. There was no backlog. Price found nothing to attract.

Present conditions parallel 1920, not 1929. This time we have demand—industrial and consumer—that's been accumulating for 16 to 18 years, instead of five or six.

▶LARGE PART of today's deferred demand is for capital goods—facilities for production.

You hear most about consumer needs. But don't overlook huge need for instruments of production.

U. S. capital structure was built (much of it many years ago) to produce annual national income of about $80,000,000,000.

Now it operates at rate of $210,000-000,000. Even allowing for inflated dollars, increase is tremendous.

Capital structure's renewal, replacement, expansion was limited by depression, then by war.

Thus its accumulated need in some instances dates back to 1930.

Meanwhile U. S. population has been rising at rate of more than 1,000,000 persons a year.

Economists weighing these factors estimate capital structure needs at from 50 to 75 billion dollars.

▶IT WOULD TAKE a trainload of materials 13 miles long—every day—to feed a 10 per cent expansion of steel.

That's how Charles M. White, Republic Steel president, points up size of the job of expanding output.

Production rise during 1948 will be slow, gradual. Effect of industry's $1,000,000,000 expansion program will be felt most in last half.

Rising fabricators' requirements along with new demands here and abroad indicate tightening steel supply despite expansion.

▶CASH FARM INCOME in 1948 will match—or surpass—1947's record-breaking $30,000,000,000.

Unless, that is, there's a sharp break in national income.

There will be less farm production, higher prices. Supply of beef, pork, eggs, poultry, butter, possibly other dairy products, will be lower.

Farm experts see little chance for expanded volume in any lines. But grapefruit, canned and frozen fruits, vegetables, will be plentiful.

Situation is bright from farmers' viewpoint. It promises continuance of richest farm supply market in history, as good or better than year ago.

There are deficits of nearly everything farmers buy, either as producers or as householders.

Note: Farmers ride top of inflation wave, may absorb buying power lost by city dwellers through price rises.

▶MEDIUM SIZE—not big—business makes the most money.

That's conclusion in Commerce Department survey of manufacturing corporation figures for first quarter, 1947.

Medium size companies (assets $500,000 to $99,000,000) reported 8.1 cents profit on each sales dollar (after taxes).

Small ($1,000 to $249,000) reported

4.7 cents and large ($100,000,000 and up) made 7.4.

Rate of return on stockholders' equity lined up this way: big, 3.3 per cent; medium, 5.8 and small, 4.1.

▶INDUSTRIALIZATION DOESN'T always bring milk and honey—in some cases it takes it away.

Milk was selling for 23 cents a quart in many North Carolina communities last month while price in New York was 22, in Washington, 21.

Why? Because of industrialization. New plants drained hands from dairy farms.

Farmers sold cattle. Milk was brought from Wisconsin.

▶SHIFT FROM SELLERS' to buyers' market spreads to more lines, more levels.

There are many exceptions—automobiles, newsprint, lead, housing, many others—but changeover spreads, covers most department store lines.

Retail buyers are more selective. They shop for values.

Department store, specialty outlet customers make fewer purchases. But these fewer cost more money.

So store sales figures rise while less merchandise moves through shipping rooms.

On wholesale levels—buyers are quick to take a tip from their customers. They, too, shop more.

Gone are the days when price first was disclosed on the bill, when only question was "When can we get it?"

Now wholesale buyers demand—and usually get—firm (even though higher) prices, firm delivery dates.

Buyers' cancellation clauses reappear covering delayed delivery, price change.

Department stores follow this general policy: Buy less than you think you can sell. Test demand, prices, before you go back for more.

▶WAGE EARNERS HAVE this usually overlooked stake in corporate profits—

High corporate profits produce high tax payments.

Treasury cash surplus makes possible tax cut, which will benefit wage earners most, corporations not at all.

Thus wage earners, in effect, share in corporate profits.

Estimates for 1947 show direct corporation tax collections of $8,499,000,000.

All income taxes in 0 to $3,000 level were $6,831,900,000.

▶LOOK AROUND WHERE you live, where you do business—you can be your own business analyst. Are For Rent signs appearing in store rooms, office buildings? They are in many places.

They mean return of bid-and-ask prices for first time since prewar.

Do price tags on merchandise show in display windows?

They mean full supply, competition for consumers' dollars.

But remember, these are signs of normal business, not recession.

MANAGEMENT'S Washington LETTER

▶LABOR'S MONTHLY SURVEY, A. F. of L. publication, has this to say:

"Here in America we have developed an economic system more free and more dynamic than any other in the world.

"Because we believe in the worth of each individual, and in giving to each the greatest opportunity to use his ability and initiative, our millions of business men and workers have been free to plan and invent, to put their minds and muscles into the work of production and have developed an industrial teamwork which gives us the highest living standard in the world.

"Europe looks to us not only for material help, but also for guidance to the way of economic freedom and productivity."

▶BRIEFS: Controllers Institute of America finds 56 per cent of public doesn't understand company reports, 45 per cent doesn't believe them....Washing machine maker couldn't get steel, makes tubs of war surplus airplane propellers....1947 tire production was about 93,000,000—nearly twice 1939's....You don't see major part of streamlining rail service. That's the job of stabilizing grades, reducing curves to make higher speeds possible....Materials men expect coming year's residential building to exceed 1947 by $1,000,000,000....Small loan volume runs 25 per cent above prewar level....American Airlines president, Ralph S. Damon, says U. S. lines will buy $100,000,000 to $125,000,000 worth of aircraft annually for next five years....Average age of England's rail locomotives: 32. Age of freight car design: 100....Just peanuts—government spent approximately $19,800,000 for them last year at average of 9.9 cents a pound—to support that price.



National Mechanized Accounting cuts costs up to 30%

Hotels... department stores... banks... businesses of every type — all report savings in this range after *mechanizing* their accounting with National Accounting Machines. These savings often paid for the whole installation the first year—and then ran on indefinitely! Some of these concerns were large—some employed only 50. . . . Could *you* cut costs correspondingly? Ask your local National representative to check your present set-up, and report to you fully and *specifically*. There is no cost or obligation of any kind.

National

CASH REGISTERS • ADDING MACHINES
ACCOUNTING MACHINES

THE NATIONAL CASH REGISTER COMPANY • DAYTON 9, OHIO



The State of the Nation

THE humble potato has played a considerable role in history. Failure of that crop in Ireland, a century ago, was the proximate cause of the famine which cut the population of Erin by one-third. A volume could not trace the full effect of the hundreds of thousands of Irish immigrants who then swarmed to this country.

It was in 1847 that the Irish potato crop fell away to almost nothing. It was in 1947 that a catastrophic decline in the English potato crop became apparent. The acreage sown has gone down, but the yield per acre is off even more. The total British potato crop for 1947 is estimated by the Ministry of Food as 20 per cent under 1946.

Writing of the Irish potato famine, the English historian J. A. R. Marriot says: "So severe and general was destitution that by June, 1847, no less than 3,020,712 persons [nearly 40 per cent of the population at that time] were daily supported on Government rations." But food subsidies did not avert starvation in Ireland a century ago. And they are not averting a destitution not far removed from starvation in England now.

On November 9, 1947, potato rationing went into effect in Great Britain, on the basis of three pounds of the tubers per person weekly. Cards must now be punched to obtain one of the few basic foodstuffs heretofore unrationed in Great Britain. The present potato ration is 11 per cent below the average prewar consumption of this vegetable in England, and 44 per cent below the average consumption during the recent war, when the acreage planted in potatoes was greatly increased. Even this ration may have to be cut.

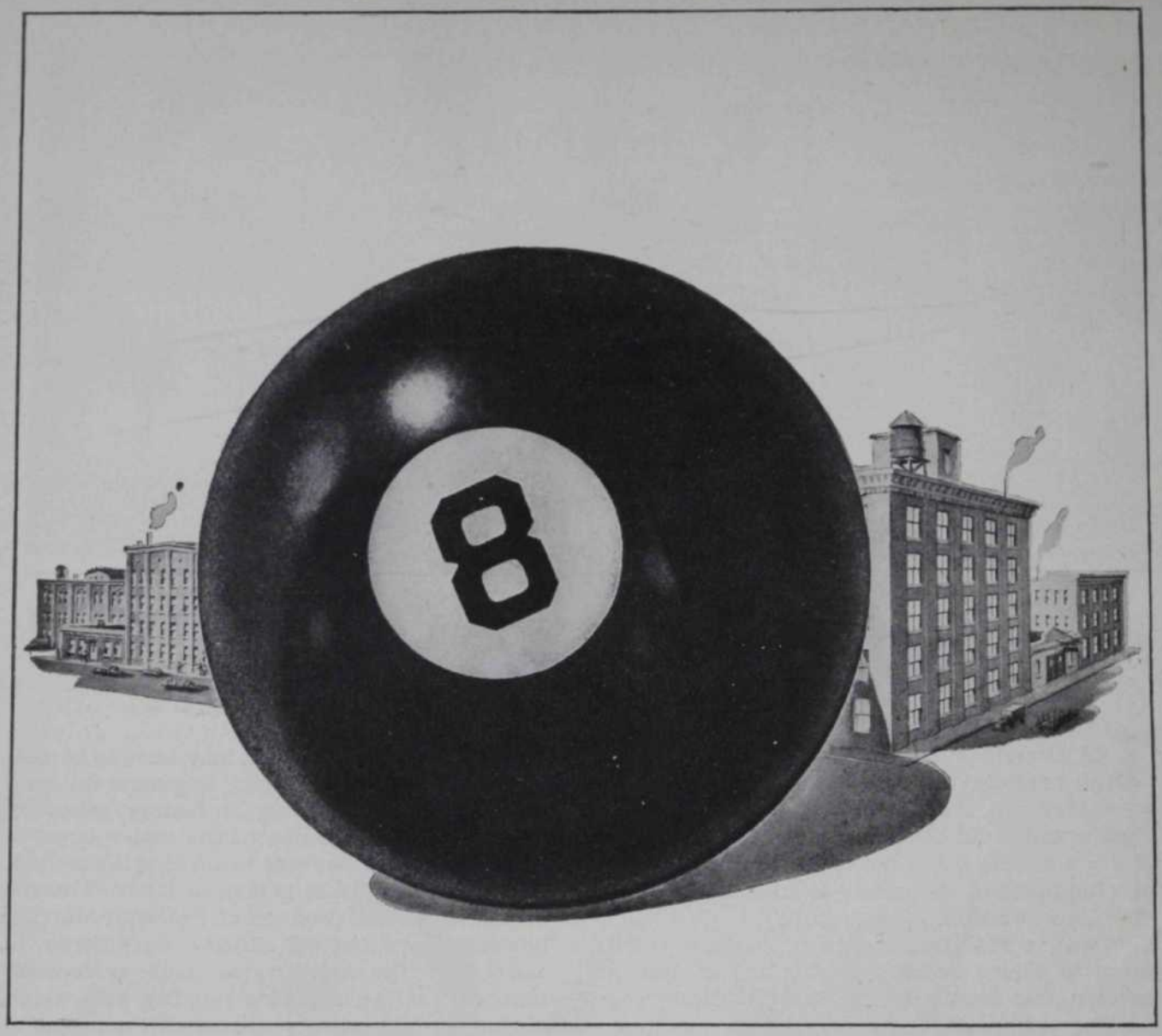
English historians, seeking to gloss a far from admirable chapter of English history, generally ascribe the Irish famine to the malevolence of nature. Bad weather was held responsible then, much as bad weather is blamed for the current decline in English production. Professor Marriot, however, went beyond climatic irregularity to assert that "the most obvious" cause of the Irish famine "was the appalling rapidity with which during the last century and a half the people of Ireland had multiplied." The same might be said for present food shortages in England.

• • •

But there was one contemporary Englishman, the great Quaker Member of Parliament, John Bright, who was not interested in alibis for governmental failures, no matter whether the government was that of his own or another country. Early in 1848, speaking of "the agonies which have been endured by the population of Ireland," he told the House of Commons that:

> We must retrace our steps. We must shun the blunders and, I would even say, the crimes of our past legislation. We must *free the land;* and then we shall discover, and not till then, that industry hopeful and remunerated, industry free and inviolate, is the only sure foundation on which can be reared the enduring edifice of union and peace.

What John Bright was criticizing in this famous speech was absentee landlordism. What he meant by freedom of the land was the removal of



Your factory?

Is your factory behind an "economic 8-ball"?

Then why not do as other keen industrialists have done . . . move it to the booming industrial Southland?

Here . . . along the 8,000-mile Southern Railway System . . . are thousands of growing, expanding industries that have found the answer to economical, profitable production and distribution.

Here are ready-made markets, a perfect manufacturing climate, nearby and abundant raw materials, skilled and willing workers, unlimited opportunity . . . *all* the things that *any* business needs to mark up a bright, prosperous, winning future.

Your cue?

"Look Ahead—Look South!"

Ernest E. Norris
President

LOOK SOUTH LOOK AHEAD

SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

state controls, exercised over Ireland from London, which made it virtually impossible for the Irish peasant either to own, or to improve, or even to cultivate intelligently the soil on which he labored. When arbitrary state controls produced the Irish famine, John Bright blamed neither the weather nor the Catholic Church. He put his finger on the source of the decay—a governmental system dedicated to suppression of individual initiative in behalf of a privileged governing class.

In the century since John Bright argued for "industry free and inviolate," the wheel has come full cycle in the British Isles. The Irish people have achieved their independence and, far from fearing famine, now eat in a manner which is the envy of their English neighbors. And there is bitter irony in the fact that the English Socialists, who worked devotedly for Irish freedom, have misguidedly fettered on their own people a governmental system as crushing as the one from which they helped to liberate Ireland.

• • •

On November 17, President Truman asked the special session of Congress for authority to impose a price-fixing, wage-fixing, rationing and production-allocation program going beyond anything which the American people endured as a part of the war effort. In a radio broadcast that night Senator Taft aptly referred to English experience under what the President has himself described as a "police state" economy. Said Mr. Taft:

> The English have complete price control and rationing, and they haven't got enough to live on. They have no incentive to get production. Men don't work longer hours, because there isn't anything to buy with the money they will earn. Surely, with that example before us, we don't want to socialize and regiment America.

The tragedy of the English experience should be better appreciated in this country. I have before me material from the official British Information Services, issued ten days before potato rationing went into effect in Great Britain. It points out that "Government subsidies control the price of basic foods" and mentions potatoes at 2¼ cents a pound as an illustration of the advantage of this price-fixing policy to the consumer. Almost before the ink was dry on this propaganda the British housewife found herself unable to buy more than three pounds of potatoes a week, and forced to queue up to obtain even that pathetic handout.

Ten years ago I was in Berlin, when the Nazis were going strong and very proud of their planned economy. But the anxious German people had a grim joke, passed round by word of mouth because in a police state no paper dared to print it. "Hitler keeps down the price of eggs," they said. "The only defect in his planning is—there are no eggs."



That is the catch in National Socialism everywhere. The British Government has certainly kept the price of potatoes down, but nobody in England can now have more than "one medium-sized boiled potato" a day. It is interesting to see how a "Ministry of Public Enlightenment" can play both ends against the middle. At the end of October the British Information Services were emphasizing the cheapness of potatoes. At the end of November they were emphasizing the scarcity of potatoes.

• • •

The potato is only a symbol, though an important one. If a controlled economy meant merely a shortage of this particular food, men would survive the hardship. The Irish peasants survived by emigrating to the United States. We are no longer so hospitable to immigrants. But we are glad to give of our surplus to save demoralized Europeans from starving in their own countries.

But that sort of help can never be more than a palliative. Before Ireland could become prosperous it had to be freed, as John Bright pointed out, of absentee landlords. Before England can become prosperous again it will have to be freed of absentee bureaucrats—those who are absent from productive enterprise so that they may hamper the production of others with countless decrees, controls, taxes and regulations. There are fewer potatoes in Britain than there were two years ago. But in this period the Ministry of Food has added more than 10,000 employes to its payroll. By ironic coincidence, the percentage *decline* in potato production is the same as the percentage *increase* in officials planning for agriculture.

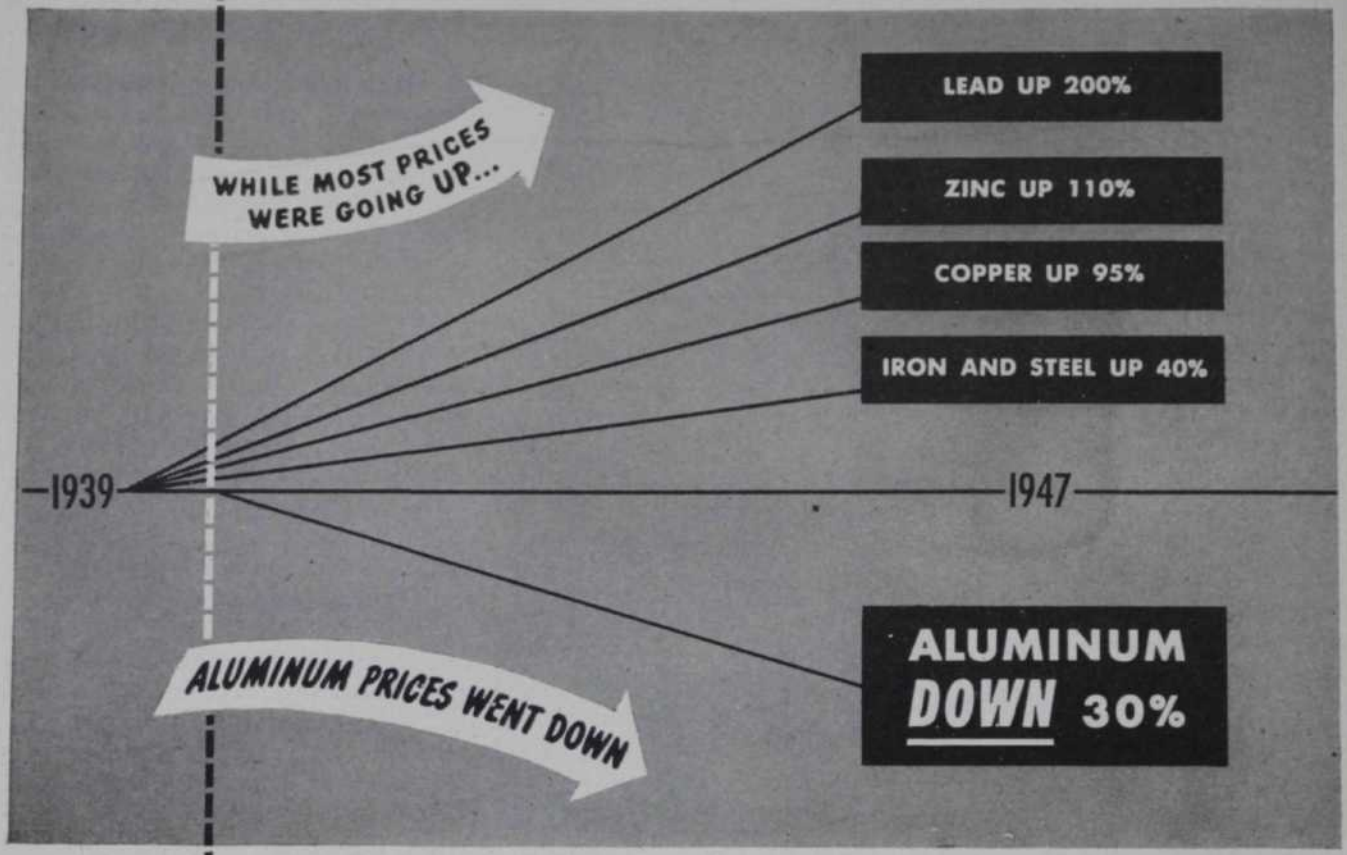
Perhaps the most tragic part of the English picture is the effort to eliminate the disasters of a controlled economy by adding more controls. On December 8, conscription of labor, on the true National Socialist pattern, started in Great Britain. The first men and women to be drafted, for mining, agriculture and textile factories, are the "spivs" and "drones"—those who have no occupation or who live by betting operations and the like. Are there no "spivs" and "drones" among the 53,600 employes of the Ministry of Food?

The great majority of Americans are descendants of men and women who came to this country to escape those countless regulations which kept them from being productive in Europe. America today attests what men and women can do when they build on what John Bright called "the only sure foundation."

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The Month's Business Highlights



DAWN OF 1948 finds the United States engaged in a great program of aid that is unique in the history of the world.

Our marvelous capacity to produce, which made it possible to win a war against great odds, promises to make it possible for western Europe to remain independent of the totalitarian empire.

Success of this effort depends generally on preserving a sound economy in the United States and on the contributions that can be made by agriculture and half a dozen key industries.

Inflation already has reached proportions that handicap world reconstruction. If it were allowed to go unchecked until it breaks of its own accord, the reconstruction program would collapse along with domestic business. For that reason control of inflation here is of world-wide importance. Such control is particularly difficult in an election year when the number benefiting temporarily from inflation exceeds those who are suffering from it. When a presidential election is coming up, it influences nearly everything done in Washington.

Controls for Inflation

In spite of the efforts made to belittle the influence on inflation that can be brought in the monetary and credit field, there is strong support in Congress for that approach. It appeals to politicians more than direct controls.

Wide differences of opinion exist as to methods to be employed to prevent runaway inflation. Key figures within the Administration are divided. Republicans in Congress are divided. Democrats are divided. The Secretary of the Treasury and the Federal Reserve do not see eye to eye. The Federal Reserve and its own advisory council are in disagreement.

Notwithstanding all this, the impression prevails that restraint on credit expansion is going to play a very important part in the drive against inflation. Banks have large holdings of government securities which they were encouraged to buy during the war. Any amount of those securities could be sold to the Federal Reserve to provide funds for loans to private borrowers.

Some members of the Banking and Currency committees of Congress want to see reserve requirements raised and securities sold. They are prepared to see government bonds go below par. They think it is much cheaper to pay more interest on bonds than to foster inflation. The average voter is protected because the price of E bonds is guaranteed. Banks and corporations, they believe, can absorb the decline in the value of bonds without serious trouble.

Aid to Europe is an additional inflationary force although it is of less magnitude than generally believed. It is, however, adding greatly to the complexity of the domestic business situation, while the selective character of shipments abroad has increased the lack of balance at home.

In the handling of great problems such as those embraced in the Marshall plan and in attempts to moderate inflation, our system seems to promote muddling, but we have a way of muddling through to satisfactory solutions.

Civil war, which had seemed inevitable in France, appears at this writing to have been successfully averted. The domestic situation in Italy, which was almost as critical as in France, also has improved. The chief stabilizing influence has been the assurance of American aid. It now has become apparent to the observer in Europe that the aid program has the support of the American people.

Fear of communism rather than humanitarianism may be the emotional force behind the support for the long-range program. Legislative bodies, however, are not likely to go counter to public opinion in an election year. Isolationism no longer is a political force. It was buried under the bodies of the war dead. Our leadership has been challenged. If we do not lead, Russia will. With that sort of situation prevailing, there is little doubt of the course that Congress will follow. The program is going to call on a few American resources to an extent comparable to the demands of war.

Shortage of Personnel

One of the greatest needs in handling the European program and in dealing with inflation at home is really capable personnel. The system in government agencies does not always bring its good men to the top. More than that, business has so many problems of its own that it does not part with key men as readily as in wartime. Some of the subordinates in the Government who are dealing with present programs are able to the point of brilliance.

Debt retirement is essential if monetary policies are to be effective in checking inflation. That leads to an issue which is more controversial than

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methods to restrain inflation. The Administration takes the position that it is imperative to have the largest possible surplus for use in paying off the bank-held public debt and thus reduce money supply. It would postpone tax reduction until it is needed to combat deflation.

Argument for Lower Taxes

Those who favor tax reduction are pressing their case just as actively as the Administration is plugging for what it wants.

Advocates of tax reduction have an advantage because this is an election year. The politician, however, is concerned principally with reductions in the lower brackets of the income tax. Not much is being said as to the need for reduction in the higher brackets or in corporation taxes which are more closely related to prices. One side argues that taxes add 25 per cent to selling costs. The other side counters with the statement that supply and demand govern price and that taxes levied on corporations come out of profits after production costs are met.

The Committee for Economic Development report on taxes made an impression on members of the Ways and Means and Finance committees of Congress. Both committees are committed to the revision of the whole tax structure. There is strong support for the expansion of opportunity to deduct losses but the suggested 50 per cent limit on top incomes will not go far on Capitol Hill.

One thing seems certain, the public is destined this year to hear a great deal about taxes and government finance. When price control proposals were coupled with European relief in the message opening the special session, the President turned back the minds of the people to domestic problems.

Prices constitute an index everybody understands. Ordinarily wholesale prices, consumers' prices, national income and such statistics are followed by a minority only. Now the man in the street is interested. Such figures will be on the front page more and more as the year advances, since they will reflect the results of renewed efforts to check inflation. The more sophisticated will get the trend earlier by watching what is happening to the national debt. Expenditures by industries for new facilities and equipment is another indicator many watch.

It is a curious paradox to have incomes at the highest point on record with everyone employed and still have rampant discontent. It all seems to go with a boom. In such a period people want more and more. There is one important group that has a justifiable complaint. Those with fixed incomes are between the millstones. With Calvin Coolidge they believe that inflation is repudiation. The elections may turn on the way that group votes.

Exports to Russia will decrease rapidly as the aid program becomes effective because it gives priority to the 16 participating countries. An embargo against Russia is unlikely but the U.S.S.R. will have to take what the Marshall plan countries do not need. Speaking of Russia, Gordon Fox, former adviser to the Soviet Government on engineering and industrial matters, indulges in this comparison:



"Russia accepts the theorem that men should be paid according to their accomplishment, and that their advancement should be based primarily upon ability and industry. America still stresses payment by the hour and is meticulous about matters of seniority. Russia continually adjures its workers to put forth their best efforts in order to improve their status, which makes sense. American labor unions cajole their members into doing less and less, that they may receive more and more, which makes nonsense."

• • •

More caution will be exercised this year in the accumulation of inventory than was shown in the last half of 1947. Department store inventories are less vulnerable than those in some other lines. Orders being placed by department stores are still high in relation to sales, when judged by prewar standards, but they are much more conservative than was the case in 1946 when the ratio of orders to sales approached 4 to 1. Wholesalers and jobbers in certain fields are having orders filled that they never expected to get. To hedge against possible recession in prices some unloading is in progress. The philosophy that "this cannot go on forever" is reflected in the attitude of both seller and buyer.

• • •

High prices have become a football of politics. Enormous energy is being expended in attempts to pin the blame on the other party. This seems to be wasted effort. The election probably will not turn on the records of the two parties on prices. It is difficult to impress the general public with what might have happened if another course of action had been followed. It is the record of events rather than the record of parties on which elections turn. Failure of the Republicans to follow the recommendations of the President probably will have little bearing on the way people cast their votes. If prices go to levels that cause enough people to rebel, regardless of who is responsible, the party in power takes the rap, as it will if the boom breaks or if chaos develops in Europe. Administration leaders are praying that the boom will neither intensify nor weaken between now and November. PAUL WOOTON

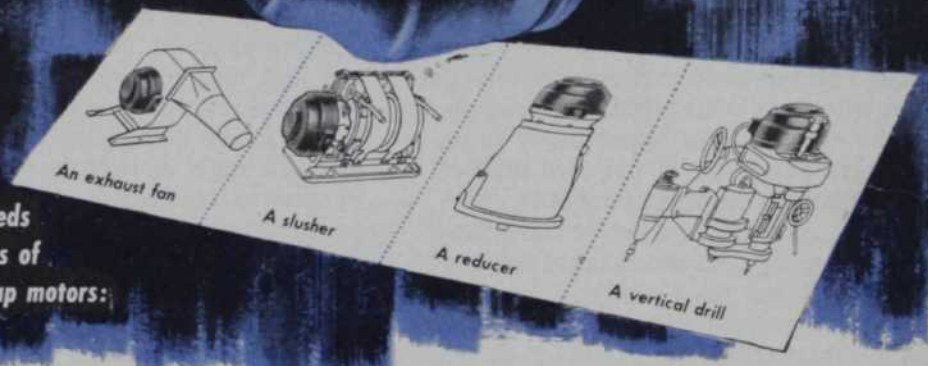
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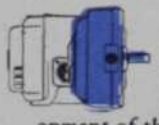
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Washington Scenes



THE United States moves into 1948 with sights raised high.

On Capitol Hill, now a legislative fount for three continents, the lawmakers open the last half of the 80th Congress with a reassuring picture of their own country. Some of them were badly in need of the holiday recess and the chance it afforded for a visit back home. They had spent months touring Europe and then, without a break, had plunged into the November special session.

This, in a general way, was what they found at home where political weather is made: A sober optimism in most parts of the land, based partly on inherent courage and partly on the bad record of calamity howlers in the past; a conscious pride in "the American way," and an utter loathing (in the workshop as well as the front office) of communism and all that it stands for.

I can testify to this after making a tour of 12 states with one of the presidential candidates, former Gov. Harold E. Stassen of Minnesota. In the North and South, the East and the Rocky Mountain area, there was one thing that was sure-fire in evoking applause—a mention of the American way of doing things in contrast to the totalitarian way. Stassen always pointed this up with a statistic hard to argue with: the fact that the United States, with only one sixteenth of the world's population, is now turning out more than one fourth of the world's production.

Two Matters of Concern

Foreign policy and the cost of living, it was noted on the tour, are the two things uppermost in the American mind today. In the cities, there was an indisputable yearning for OPA or something that promised to hold down prices. The very reverse was observed in rural areas, where there is a deep abhorrence for controls. Curiously, outside of business circles, there appeared to be no great outcry for tax reduction; perhaps because the payroll-withholding system has made taxation so much less painful.

The "labor problem," in the top rank among issues a year ago, seemed to be no longer a lively topic except in union circles or in cities which happened to be afflicted with strikes (Chicago, for example, where the printers had walked out of the newspaper plants). Housing, of course, was a problem almost everywhere.

Many citizens, it was clear, do not yet have a grasp of the Marshall plan. They think of it, not as a program of world reconstruction, but as a new and bigger scheme of "relief." Still, there is one thing they do know, and that is that the Russians are furiously opposed to the Marshall plan, as shown by the vituperation that has been pouring out of Moscow. Molotov, Vyshinsky & Co., probably would be amazed to find out how much this has done to commend the plan to those who must pay the bill.

To judge by audience reactions during Stassen's barnstorming tour, the people are determined that the United States must be kept strong militarily. They feel that this is an absolute essential so long as the world can count on no more than an armed truce. There seems to be much more enthusiasm for universal military training among the people than there is among their representatives in Congress.

One more observation of this nature: The people are strong for the bipartisan foreign policy with which America now confronts the world, and they appear to have great confidence in the two men who symbolize it—Secretary of State George C. Marshall and Sen. Arthur Vandenberg, the Michigan Republican who heads the Foreign Relations Committee. This does not preclude some partisanship in debate. Stassen, for example, pointed out that one of the most eloquent arguments for a bipartisan foreign policy was what happened at Yalta and Potsdam, where no Republican advisers were present. But in saying this, the Minnesotan warned his party against becoming "afflicted with a chronic fixation of opposition."

Stassen's "delegate hunt" took him to Detroit, Lincoln, Denver, Amarillo, New Orleans, Little Rock, St. Petersburg, Orlando, Chicago, St. Paul and Milwaukee. In virtually all of these places, the story was the same: Booming business, peak employment, and much brave planning for the future. One noticed other things, too, such as generosity and a return to the good manners and courtesy that so largely disappeared during the war years.

• • •

The political picture was confused, so much so that an observer would be wise to refrain from experting at this stage. One thing, however, can be stated flatly. There is hardly any bitterness in the country in advance of the campaign of '48;

"... and here's that spur from the main line."



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that is, of the kind that brought forth tomatoes and boos in 1940-44.

Neither is there any great enthusiasm over the field of candidates now lining up for the quadrennial battle for the White House. Certainly there is no political idol.

The thing a traveler hears most frequently about President Truman is that he is "doing the best he can." He is liked for his humility and his good will. His nomination for a full, four-year term is, of course, taken for granted; any other course would be a confession of failure by the Democratic Party. All the Democrats will have to worry about at Philadelphia in July is a vice-presidential nominee and a platform.

Republican Race is Still Open

In the Republican camp, the prospect today is what it was six months ago—a "wide open race." Gov. Thomas E. Dewey of New York still is regarded as the No. 1 contender, although his foes will tell you that he has been slipping. His assets are a reputation for good administration, a record as a vote-getter, and the good fortune to live in a state that has 47 votes in the Electoral College.

Sen. Robert A. Taft of Ohio probably arouses more intense admiration than any man in the G.O.P. His greatest problem—and he is well aware of it—is to explode the idea that he might lose if nominated. Taft's stronghold, so far as delegates are concerned, is the South. He is unquestionably No. 1 down there, just as was his father, William Howard Taft, President from 1909 to 1913. But Republicans in Texas and other states in Dixie are determined not to be hog-tied for Taft at Philadelphia in June. They like Taft, but above all they want a winner—and the federal patronage that comes from being with a winner.

The best appraisal of Stassen comes from Stassen himself. He gives himself "a fighting chance," but says it will be a "hard, uphill battle." Why, in the face of this, does he persist in his campaign? Is he, as many suspect, after the vice presidency or a cabinet job?

The answer, in the first instance, is that Stassen has a record of winning out against great odds. He was given little chance of victory when he ran for governor of Minnesota in 1938. Nevertheless he triumphed over a well-intrenched political machine and was elected three times in all, resigning in 1942 to go into the Navy.

Stassen's goal is not the vice presidency or a cabinet post, but the White House. A man simply doesn't go to such trouble and expense when his goal is anything less.

It is conceivable that none of the aforementioned three will be the Republican standard-bearer in '48. The delegates might turn to Gov. Earl Warren of California, Senator Vandenberg, or Gen. Dwight D. Eisenhower.



Some of the smartest politicians in the party are reserving judgment on Ike's chances. They say the draft-Eisenhower boom depends on three things: first, what he has to say after he leaves the Army and becomes president of Columbia University; second, how the public reacts to what he says, and, third, the world picture.

This much, however, can be said right now about the matter. In the 12 states I covered, there was much less excitement about the Eisenhower boom than there was in Washington. Professional politicians, for the most part, did not seem enthusiastic. Some of them wondered whether the American people wanted a soldier in the White House—even one as popular and democratic as Ike. Others suggested that Ike might be under a handicap as a campaigner; that is, might not be able to go all-out against Mr. Truman (and the late Franklin D. Roosevelt) because of the fact that one made him commander in Europe and the other named him chief of staff. A further argument had to do with practical politics. The Republican Party, it was pointed out, has been patronage-hungry now for 15 years. Suppose Eisenhower should be elected and then hold himself to be above party. Where would that leave those who have been toiling in the political vineyards all these years?

These, it should be emphasized, are the arguments of the professionals, not the rank and file of voters. Perhaps it would be best to wait and see what the general himself has to say after he doffs his uniform and is able to speak his mind.

Although 1948 is to be a campaign year, with both the presidency and Congress at stake, there probably is less narrow partisanship on the hill right now than a year ago. The ominous international situation is one reason. President Truman's comeback, as reflected by the Gallup Poll, is another. The Republicans have noted that this has taken place during a period when the White House motto has been, "The best politics is no politics," a motto, by the way, which should not be taken too literally.

The Republicans, continue to believe that they will take over the entire national Government next November, but they are not nearly as cocky about it as they were this time a year ago.

Democrats, on the other hand, have shaken off much of their earlier pessimism. They are beginning to think that Mr. Truman, perhaps, got a break when the G.O.P. captured Congress in '46. Right or wrong, they are convinced that the Republicans now are being held to blame for the high cost of living.

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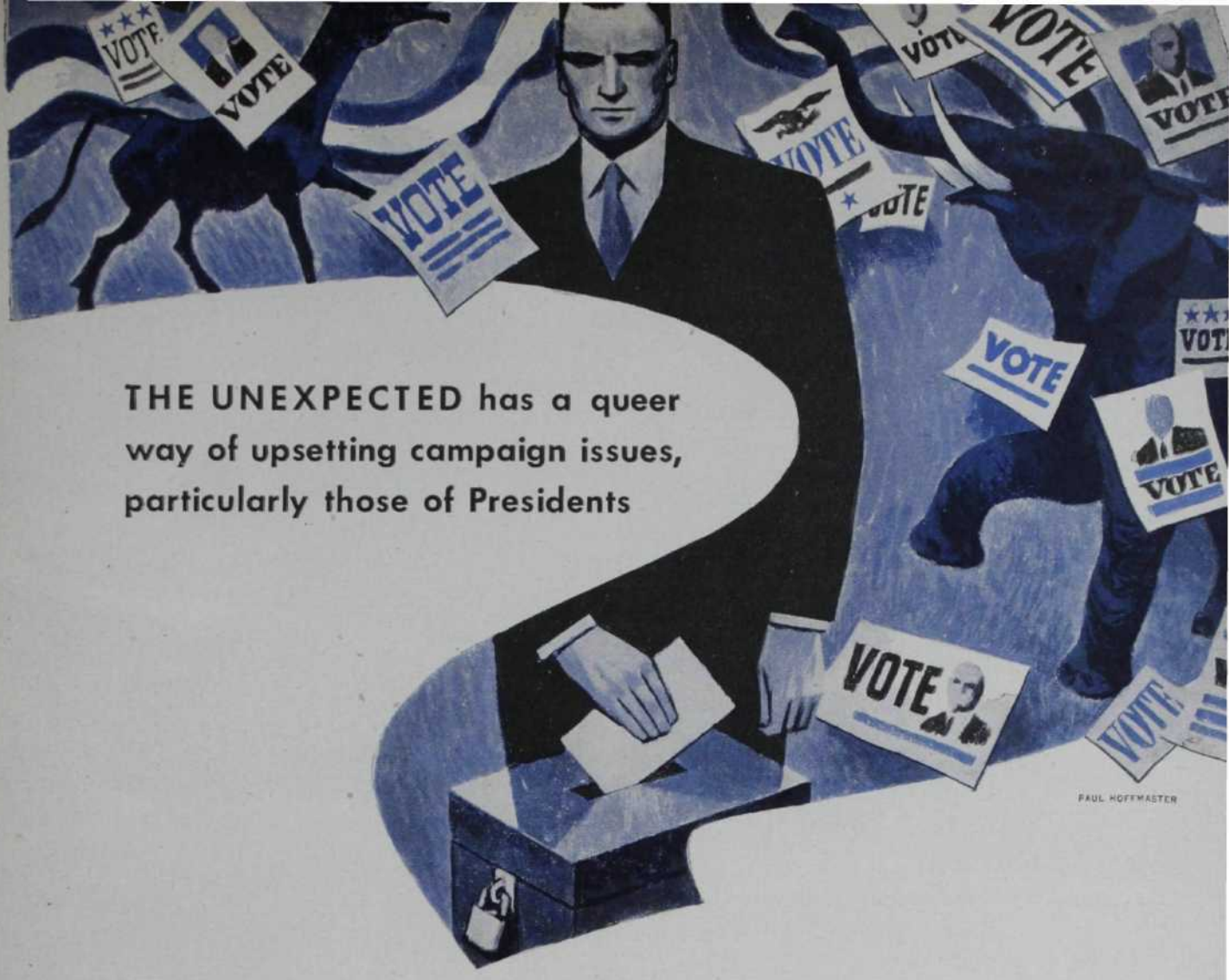
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THE UNEXPECTED has a queer way of upsetting campaign issues, particularly those of Presidents

Advice to the Next President

By GERALD W. JOHNSON

IF YOU count the forces the President of the United States commands directly and the allies he can summon to his aid, the President is the most powerful magistrate on earth. But one thing that even he cannot control is his own job.

It is rare for a President to accomplish what he sets out to do. Sometimes he accomplishes greater things, sometimes less, but almost never does he do what he intended to do and what, during the campaign, he promised to do. Cynics attribute this to the deceitfulness of politicians, but as a rule it is due to circumstances beyond the President's control.

Consider the records of the eight men who have occupied the office since the beginning of the twentieth century. Theodore Roosevelt first came to the Presidency by accident, but he was elected in 1904 as a trust-buster; all the world knows how little he accomplished along that line.

Taft, elected in 1908, was to carry out the policies of Roosevelt but if he did, it was on a stretcher.

Wilson was to reform our domestic politics, instead of which he became involved in a great war.

Harding was to lead us back to normalcy, but only a pessimist would regard Teapot Dome as normal.

Coolidge is the one exception. In 1924 he was elected to do nothing, and he did it.

Hoover was to sustain prosperity until there was a chicken in every pot.

The second Roosevelt was elected in 1932 to restore our prosperity by economy and efficiency but, when the banking system blew up in his face the day he was inaugurated, all that went overboard. In 1936 he was re-elected to continue the New Deal, but within two years he had dropped it to face the menace of a new war. In 1940 he was re-elected to steer clear of the holocaust, but Japan said the last word on that subject. In 1944 he was elected for the fourth time to es-



The danger of war with Russia is foremost in the minds of most of us at the present

The menace of inflation is almost certain to face the next President

tablish the peace, but he died before the shooting stopped.

In every case, the issues that seemed most important during the campaign were not the issues that gave the President most trouble after he was elected. Thus, as a new Presidential year begins, it may be advisable for the American voter to give some attention to the questions that are lurking in the background, as well as to those that are prominently before his eyes, because experience has shown that the possibilities usually thrust the probabilities aside.

The thing that overshadows all else in the minds of most of us at present is the danger of war with Russia. However, unless such a war swallows up all other problems, the next President will almost certainly have to struggle with some form of the problem of inflation. Both wages and prices are already inflated, and any aid to Europe will tend to increase that inflation. Adequate aid will add heavily to the pressure.

Closely connected with the serious menace of runaway inflation followed by a depression is the problem of readjusting the tax burden. Thus, one candidate is likely to be chosen next November on his supposed ability to deal with war, inflation and taxation. Vast numbers of voters will pay no attention to anything else because they do not believe it is possible that anything can take precedence over these.

Yet it is no great feat of imagination to conceive of circumstances under which all three might be shoved into the background by an entirely different set of problems which are being given little or no attention at present.

For instance, Joseph Stalin is old and ailing. It is possible that he may not survive five years longer. If he dies, the next President of the United States will certainly face a different situation from the one now existing.

For 30 years the Soviet political system has pivoted upon two extraordinary personalities, Lenin and Stalin. That much we know. We also know that it is a rare occurrence for a nation to be given two supremely dominant characters in quick succession. It does happen. Julius and Augustus Caesar, Genghis and Kublai Khan, Philip of Macedon and Alexander the Great, come to mind at once. But when has any nation had three great masters in a row? Arnold Toynbee, the historian, mentions three unusually able kings in one of the early Chinese dynasties as succeeding without a break; but the occurrence is so rare that it would be extreme folly to base any prediction on it.

But a dictatorship requires a dic-



Readjustment of the tax burden rates high on the agenda of domestic issues

tator and, the larger the country involved, the greater a successful dictator must be. Stalin is one of the most remarkable men in the world, but at that he is none too big for his job. Yet, if Russia can produce another of his size, she will perform something of a miracle. By the law of averages it is all but a certainty that Stalin will be succeeded by a man of lesser stature.

Should that come to pass, the next President of the United States would still have a Russian problem on his hands, but it would be very different from the problem with which Mr. Truman is struggling. At the moment, the idea is to protect ourselves from the communists; but it could be that the next President's hardest job will be to protect half the communists from the other half.

It is inconceivable that there is any serious candidate for the Presidency who hasn't given some thought to what he will do if the Red Army marches against us; but he should also have an idea of

(Continued on page 76)

Ibn Saud RUBS a

By JOHN C. HENRY

VENTURE CAPITAL helped win the greatest single asset among our many foreign commitments

AN AGING DESERT chieftain, perhaps the last of the great Bedouin warriors who have contributed so much to romantic history, is holding in his scarred and knotted hands today the modern destiny of the Middle East, and to a large extent, perhaps, of the entire world.

Around this one man, a giant in physique as well as in qualities of statesmanship, is flowing the "black gold" of twentieth century power and wealth —billions of barrels of oil.

The old warrior is Abdul Aziz ibn Saud (Servant of the Mighty One and Son of Saud). His locale is the Arabian Peninsula where he reigns as absolute monarch of the 800,000 square mile kingdom of Saudi Arabia and whence his influence spreads throughout the Moslem world.

Two factors beyond all others give this primitive desert ruler an influence and responsibility far beyond the normal importance of sovereignty over a desert kingdom.

First, we are living in a period in which oil is the blood of economic life.

Second, the Arab area, which stretches from Morocco in the west to India in the east, has been known for centuries as the crossroads of the world. Every would-be world conqueror from Alexander through Napoleon, Wilhelm and Hitler has placed conquest of the Middle East high on the martial timetable. And every one has failed because he either could not obtain or secure this geographic bridge between the West and the East.

All of this is merely the framework within which to draw a perspective on Abdul Aziz ibn Saud, his attitude toward the western world and toward the changes which western influences are making within the desert kingdom.

The Saud family belongs to the Wahabi sect, most puritanic of the Islamic faiths. Through generations of shifting fortunes it had reached a low point in influence in the years of Abdul Aziz' youth. His father, Abdur Rahman, had been driven from the Wahabi capital of Riyadh by the Rashid family and the Sauds were leading a shadowy existence in exile among friendly but primitive nomadic tribes. It was a life that hardened the soul and the fighting arm of the young Abdul Aziz and inspired in him the belief that Allah had chosen him not only to avenge his clan but also to restore the puritanism of the Wahabi beliefs to Arabic rule.



ROBERT YARNALL RICHIE

Arab employes are supervised by oil company engineers

Built his own kingdom

SLOWLY and carefully the young crusader gathered a picked score of fighting men. At the age of 20, he and his followers scaled the protecting wall of Riyadh during a night when Rashid scouts were searching the outlying desert for him, crossed some convenient rooftops to the vicinity of the great mosque and awaited the arrival of the Rashid governor for his sunrise devotions. The sunrise came and so did death for the Rashid on the steps of his mosque. Mastery of the city was simple from that point and the few years intervening before World War I saw Ibn Saud establish himself as Sultan of the Nejd Province.

By the close of that war, Abdul Aziz had grown in power and ambition. The Rashid family, then concentrated around Hail to the northwest of Riyadh, was broken by force of Saudi arms in 1921 and the Hashamites of Hussain were driven out of the Hejaz Province and the Holy Cities of Mecca and Medina in 1925.

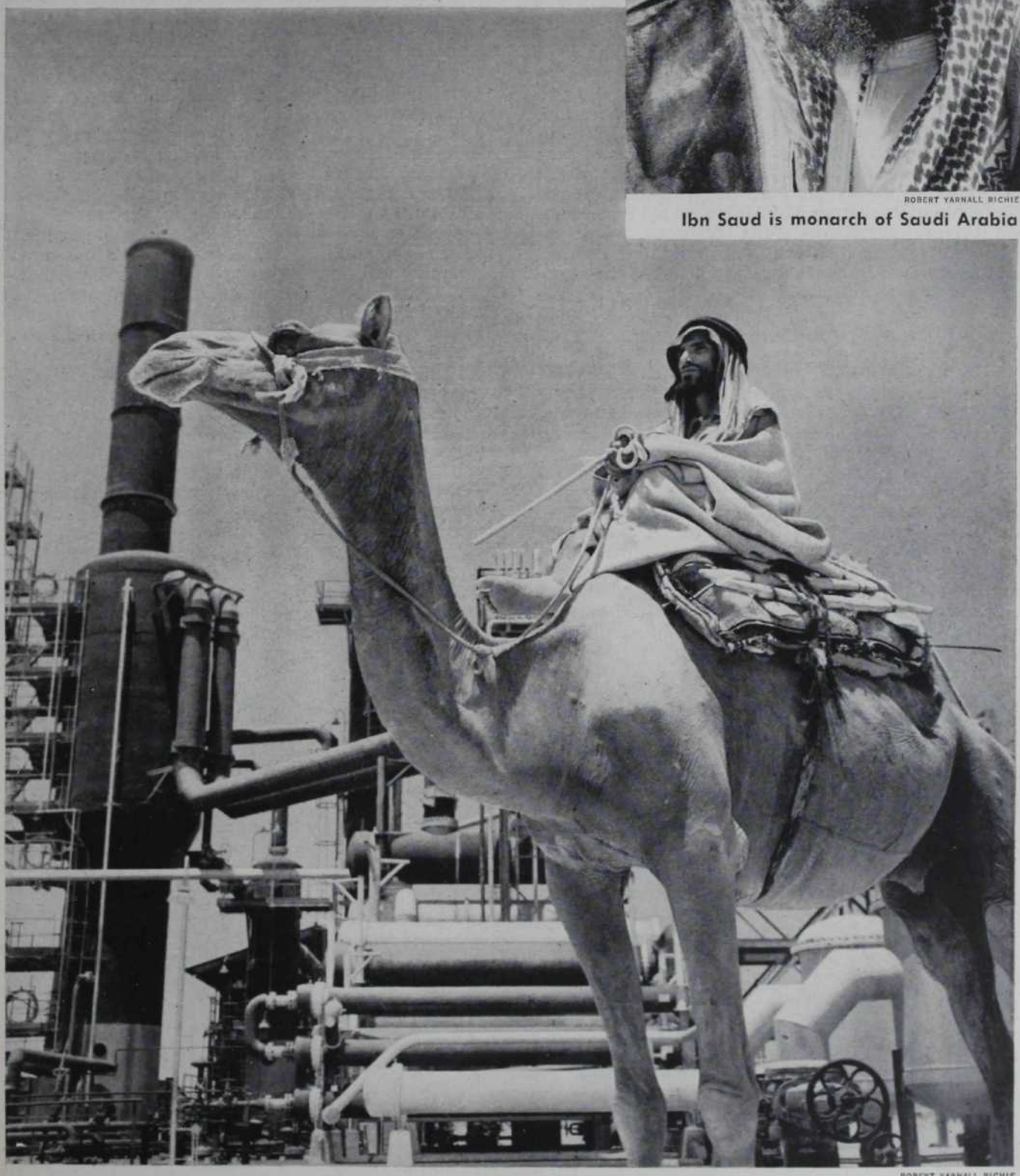
In the early 1930's came the time of the Yemeni, who had made the mistake of entering into an alliance with the Italians. Their utter defeat by the Saudi forces left no rival for Saudi rule on the

Magic Lamp



ROBERT YARNALL RICHIE

Ibn Saud is monarch of Saudi Arabia



ROBERT YARNALL RICHIE

The Ras Tanura refinery of the Arabian-American Oil Company processes approximately 120,000 barrels daily

peninsula. Motivated by religious-political reasons, Abdul Aziz granted the Yemeni ruler a generous peace which has left that country with its status of independence.

Meanwhile, geologists representing the Standard Oil Company of California and the Texas Company had established existence of rich petroleum reserves on the Persian Gulf island of Bahrein, only a few miles off the Arabian mainland. The discovery established the probability that other deposits might be found in the Arabian desert and the stage was set for a round of international bidding.

British, French, Italian, German and Japanese interests all made bids on the oil lands or prepared to do so, in each case through agencies that were in part or in whole instrumentalities of their governments. An American bid was made by the two companies already holding the Bahrein concession.

To Ibn Saud, already wise in the ways of foreign imperialism, all bids other than the American proposal represented actual or potential intervention of a foreign government in the life and affairs of the Arabian Peninsula. The American bid represented private enterprise, fully divorced from the United States Government and implying no threat of interference in the domestic politics of the kingdom. He chose the latter.

Gaining good will for America

THUS began, in 1933, an Arab-American partnership which today represents the greatest single U.S. asset among our many foreign commitments.

So broad, in fact, is the industrial statesmanship being demonstrated here that it might appropriately be described as a "Marshall Plan" being financed by American venture capital rather than by the American taxpayers. Certainly it is having the effect of strengthening a Government which is friendly to us and building good will in that country.

To the American private interests this partnership should mean great financial profit. To the American public interest it means continuing lubrication of our machine-age economy at a time when domestic oil reserves are showing first signs of exhaustion. To Ibn Saud and his people it means progress out of the dead centuries into the relative modernity of better transport and communications, scientific irrigation and agriculture, wider education and improved standards of health.

The initial proven discovery of petroleum within the Saudi concession occurred near the Arab town of Dammam, almost directly opposite Bahrein Island. To direct the development of the area, an American headquarters was established about ten miles southwest on a higher land level at a locale called Dhahran. Today, Dhahran is an American community of completely air-conditioned homes and buildings not unlike a transplanted southern California suburban resort. Scarcely two miles distant was built a new Arab village, centered around a towered mosque, the whole being designed as a community in which the Arabs employed by the American interests could make their homes.

Today, Dhahran is the hub of a spreading operation which already employs some 1,600 Americans and more than 9,000 Arabs. Eventually, about 4,000 Americans are expected to be in direct employment of the company in Arabia and native personnel probably will be close to 20,000. Nearly 200 American wives, almost as many children and nearly 100 American female office workers live in Dhahran or in Ras Tanura, refinery site about 50 miles away.

After a slow start due largely to the difficulty of getting equipment and personnel from 10,000 miles away during the war years, the company now has about 50 wells in production in three fields. Two other fields have been proven but are not yet producing and reserves of the proven sites are estimated at 6,000,000,000 barrels. Daily production already exceeds 280,000 barrels of crude and nearly 80 per cent of the concession has not yet been tested in full, some not even in preliminary phases.

Of present production, about 120,000 barrels daily is processed at the Ras Tanura refinery and another 105,000 barrels is piped to Bahrein for refining. Principal refined products are 80 octane gasoline

(Continued on page 83)



ROBERT YARNALL RICHIE

Floyd Ohliger, Aramco general manager, presents ten-year service pins to a group of Arab workmen

As Congress Faces Bills and Ballots

By J. LACEY REYNOLDS

IF YOU have anything to say to Congress, do not wait. This session will be brief, the members busy

AS SOON AS Congress reconvened in November, I began buttonholing various leaders to get the inside dope on what to expect of the 1948 regular session. To each I put the question:

"What do you think Congress will do this year?"

"As little as possible," one of them quipped. "Remember, we're up for re-election, and our constituents don't vote in Washington."

Another important congressman countered with this:

"How can I predict what 531 congressmen will do when I don't even know my own mind?"

Such pleasantries merely point up the fact that 1948 is an election year for each of the 435 members of the House of Representatives, and one third of the 96 Senators. In the very nature of things, they will have to be politicians this year if they hope to be statesmen next.

To confound matters more 1948 is a presidential election year, when a surprising number of men begin to take seriously their mother's old boast that her son would some day become President. This Congress includes a galaxy of such mothers' sons—men like Taft, Vandenberg, Martin, Lodge, Saltonstall. In addition, there are also those whose mothers once boasted they might become Vice President—men like Tydings, Lucas, O'Mahoney, Byrd.

Whether they are running for President, Vice President, senator or representative, their actions will fall into the same pattern. Every major domestic issue will be appraised with an eye to its political effect. Congressmen will shy away from issues that needlessly marshal one voting bloc against another. A good example is the St. Lawrence Seaway which cuts so many ways, economically and sectionally. In general, each congressman will try to appeal to as many voting groups as will add up to a majority on election day.

However, this emphasis on politics justifies nobody in snorting:

"Just a bunch of politicians. . . . The country can go to hell for all they care."

It merely means that congressmen will be particularly sensitive to the desires of their constituents this year. It also means that many less controversial domestic problems will be considered objectively and without partisanship. For instance, tiresome hours will be devoted to such problems as promoting scientific research, governing the city of Washington, controlling hoof-and-mouth disease.

It also means that business men and others interested in specific legislation should get to work early in the session. The work session will be short this year. The legislative assembly line will stop for at least a week during each of the two party conventions. Furthermore the rate of absenteeism will be high, starting in April, as members duck out to electioneer in state primaries. And the session will be ended as early as possible in the summer to make way for the general elections in the fall. Thus the early bird will have the best chance of worming something out of Congress.

It's important too for business men to remember that we still have a split government, with Republicans controlling Congress and the



Parties look alike to Stalin



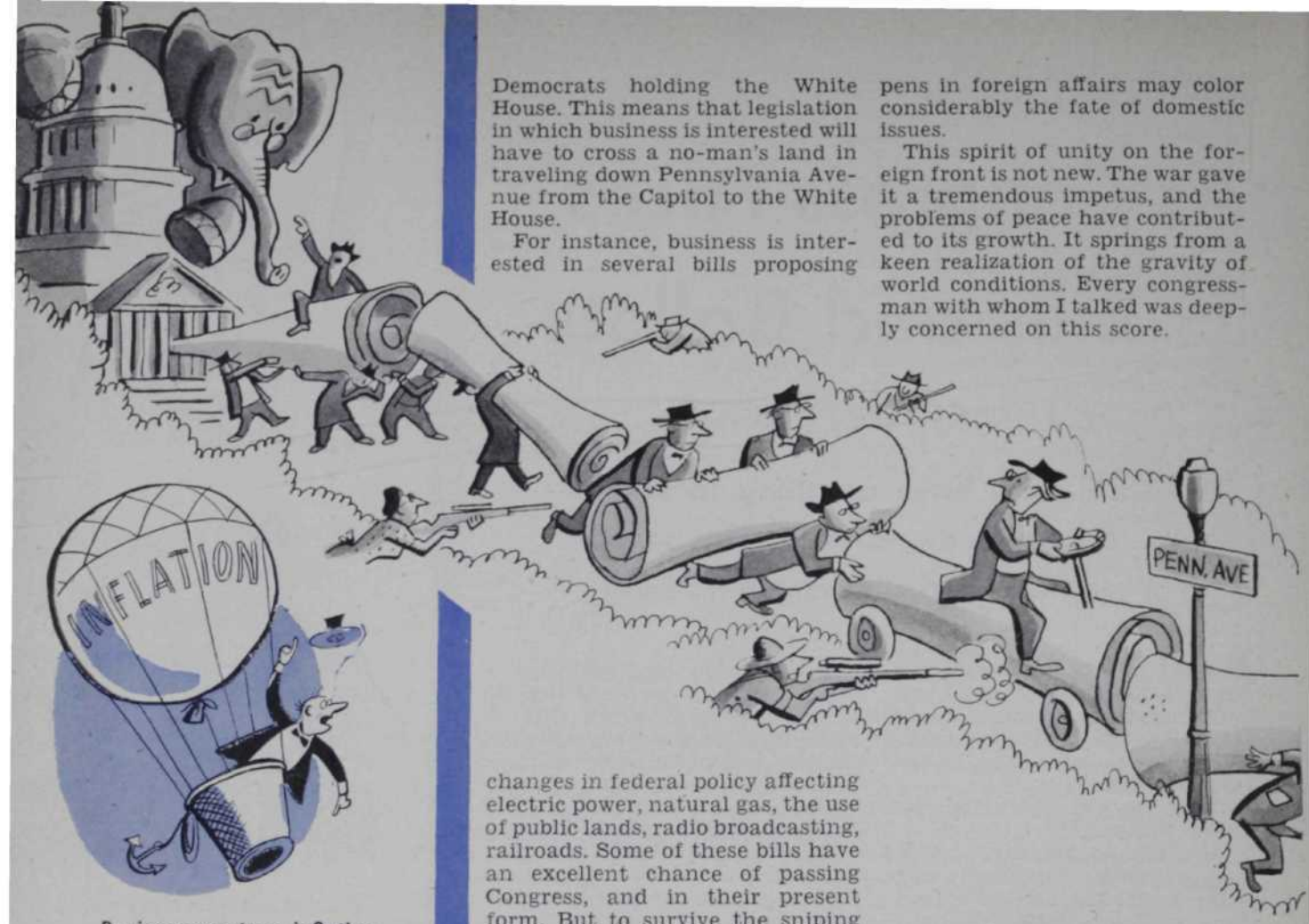
You can count on a tax cut



The budget will be trimmed

A frown on military training





Business wants no inflation



Will Congress heed when Labor howls?

Will the Far West be appeased?



Democrats holding the White House. This means that legislation in which business is interested will have to cross a no-man's land in traveling down Pennsylvania Avenue from the Capitol to the White House.

For instance, business is interested in several bills proposing changes in federal policy affecting electric power, natural gas, the use of public lands, radio broadcasting, railroads. Some of these bills have an excellent chance of passing Congress, and in their present form. But to survive the sniping from the democratically controlled bureaus that line Pennsylvania Avenue en route to the President's desk, they will need charmed lives. Under the split government, the veto looms more important than most people realize because the President can usually depend on the support of at least one third of the membership of one house of Congress to uphold his hand. Thus, most of the business measures mentioned may have to be amended in compromise form acceptable at both ends of Pennsylvania Avenue.

With these background observations, we get down to our congressional scratch sheet for 1948. We do not claim the prophetic infallibility of some radio commentators, nor the slight margin of error that Dr. Gallup allows himself. But we do say that this is the best accumulated judgment of congressional leaders, Washington news men, lobbyists and other qualified kibitzers.

Foreign Affairs: Although no one is so naive as to believe foreign affairs will not be debated fully and at times acrimoniously, there will be far less partisanship here than on domestic affairs. Also what happens in foreign affairs may color considerably the fate of domestic issues.

This spirit of unity on the foreign front is not new. The war gave it a tremendous impetus, and the problems of peace have contributed to its growth. It springs from a keen realization of the gravity of world conditions. Every congressman with whom I talked was deeply concerned on this score.

An isolationist friend who privately admits to having once "played a little politics with foreign affairs," best explained, I think, the state of mind of many of his colleagues:

"The Russians don't seem to make a distinction between Republicans and Democrats over here," he said. "We're all a bunch of imperialists and war mongers to them. So why should there be any differences between us in our dealings with them?"

Still, the so-called isolationists will be heard from. But they will make more headlines than headway in affecting the true course of our foreign policy. I have called them "so-called" isolationists because if you will follow their arguments closely you will find that they have departed from simonpure isolationism of past years.

They are quarreling with the means and methods rather than the global objectives of our foreign policy. They are raising pertinent questions about the need abroad and our own capacity to fulfill it. They are probing the mechanics of administration. If they continue in this line, they can make a valuable contribution to the coming session.

We will doubtless see in this

Congress a continued improvement in the quality of debate on foreign issues, as the result of first-hand information individual members have collected in their overseas travels. We will begin to see the value of sending congressmen overseas for on-the-spot surveys. More than 150 went abroad last summer. They do not agree completely on what they saw. But certainly, they have narrowed the area of disagreement.

This session the House will assume a larger role in dealing with world affairs. The Senate will not dominate the scene as completely as in the past. One reason is that so many international problems are economic these days and the House holds the purse strings.

As for specific issues, Congress will extend long-term, as well as short-term aid to Europe but the program will be hedged with spending controls. The amount appropriated for the first year may not vary much from the amount appropriated this fiscal year.

The "Voice of America Bill," stymied last year, looks like a sure bet this year. There's a general feeling that we can no longer afford to let Russian lies and libels go unchallenged.

Another favorite on the books is a program of military cooperation with Latin America. The Rio conference and renewed communist activity south of the border have improved the bill's prospects.

Reciprocal trade agreements, due for renewal this session, will generate a hotbox of controversy as congressmen seek tariff protection for products manufactured or grown in their districts. Protectionists will likely try to give Congress the power of review over negotiated tariff schedules.

Taxes: Tax reduction seems surer than death and taxes. The bill will be loaded down like a Christmas tree with concessions to various taxpaying groups so as to make it veto-proof this time. A congressman inclined to oppose a cut will think twice before facing the electorate.

Complete tax overhaul has no more than a chance. The difficulty lies in getting action on such a complex and controversial matter during a short session. It has been perennially promised and postponed for so many years that another postponement would be in the best congressional tradition.

Government Spending

The appropriations committees are going to look into the eye of every eagle on every dollar that is requested by the Administration. But for every feather that is plucked, the old bird will put up an awful squawk. And many a campaign-minded congressman will protest against inflicting such indignity on our feathered friends. For this reason, budget economies effected this year will likely fall short of last year's figure.

There'll be no repetition of the Senate-House deadlock that last year prevented agreement on the

(Continued on page 77)



Veterans won't be overlooked



New Deal bones will be dug up



KEYSTONE

Providence, Rhode Island, in 1850, at about the end of the early whaling and shipping era

Rhode Island Meets

By JUNIUS B. WOOD

RHODE ISLAND, as all should know, is the smallest of the 48 states. From the center to its farthest corner is 35 miles. A good walker can step the 20 miles across its narrow waist between breakfast and an early supper. The State Planning Commission fixes its area at 1,497 square miles, of which 1,084 are land. It has 400 miles of coastline.

In population—761,000 by the 1947 estimates of the Census Bureau—it is thirty-sixth among the states. That makes it our most densely populated state, 702 per square mile, compared to a national average of 48, although actually density varies from Central Falls with 25,248 persons in 1.3 square miles to Coventry with 7,000 in 63 square miles.

Into its compact space, Rhode Island, according to a survey by the Rhode Island Public Expenditures Council—a non-partisan organization—has packed as many departments, commissions and attendant staffs as Illinois.

To support these staffs, the state faced this year a $46,000,000 budget, trimmed to $38,000,000 but still 40 per cent greater than the preceding year.

With this money the state will pay for a social welfare program which accounted for 40 per cent of the 1946 budget; will service a $20,000,000 bond issue for GI bonuses, and distribute $5,000,000 to municipalities for their expenses, including salary increases for school teachers and substantial sums for highways.

To collect the money, state tax collectors will be so numerous that a youth, caught in the maze, can complain, "I'm only a hallroom boy renting a room, but I find that I'm taxed to build a sewer," and Paul R. Ladd, general manager of the Providence Chamber of Commerce, can inquire sadly, "What will we do about our tremendously increasing costs of government?"

What raises all this beyond the point of purely local interest is the fact that Rhode Island has always been a trail blazer—never an imitator. What it has attempted and what it is doing now may set the pace for others.

Moreover, because of Rhode Island's size, the problems that other states face in adjusting and reorganizing to meet changing times and taxes are intensified in this state.

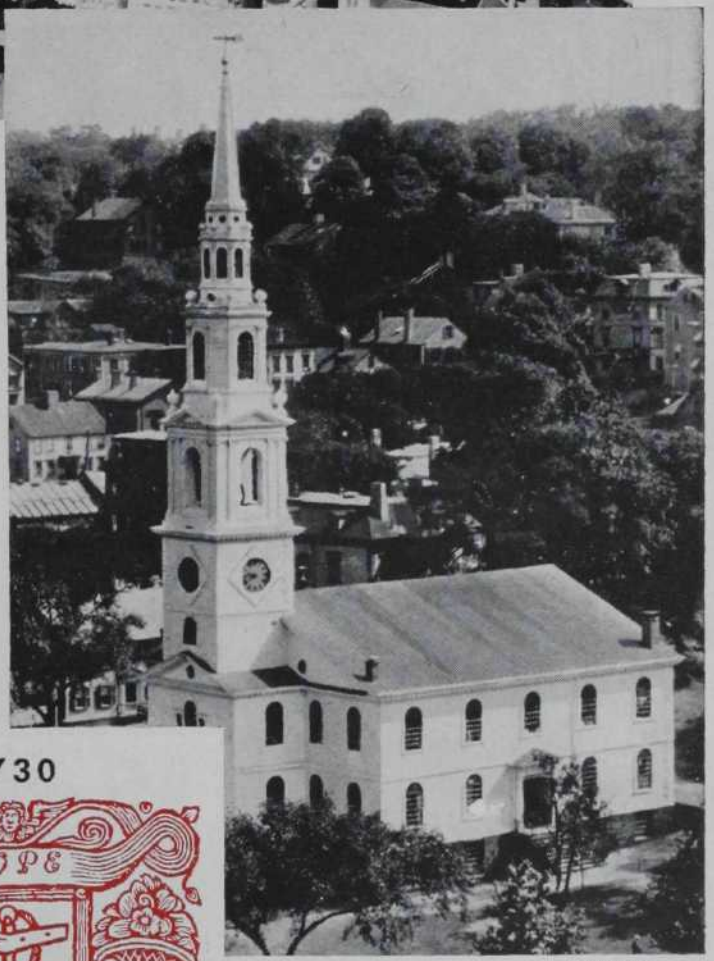
To understand Rhode Island of today, its strong American background must be known. It was born



FAIRCHILD AERIAL SURVEYS

Providence is now a machinery and silverware center

The Piper



BROWN BROS.

First Baptist Church building, Providence, erected in 1775. The church itself was formed in 1638

as a haven of liberty of conscience and thought. In those days that was revolutionary.

In 1636 Roger Williams, 32 years old and for five years a pastor of the Puritan churches of Salem and Plymouth, Mass., was banished from Massachusetts Bay Colony because of his views on separation of church and state. He settled in what is now Providence, capital of Rhode Island, and established Providence Plantations. He might rest easier today if he knew that in 1936 the governor of Massachusetts—Democrats had won in both states—journeyed to Rhode Island with an official revocation of the decree which had banned him. However, the Massachusetts law permitting hanging of Rhode Islanders who cross into the Bay State is still on the books.

1730



When Providence Plantations refused Plymouth colony's request to exclude Quakers, it was denied membership in the New England Confederacy. Liberty of conscience and worship was soon granted to Catholics, Jews, Mo-



CULVER SERVICE

Landing of Roger Williams at what is now Providence, after his banishment from Massachusetts Bay Colony

hammedans and heathen. They were not allowed to vote, however, even though they met the required property qualifications—at one time, owning $134 in property or receiving $7 a month rent. The colony built the first lighthouse on the Atlantic coast and started the first postal route—Providence to Boston.

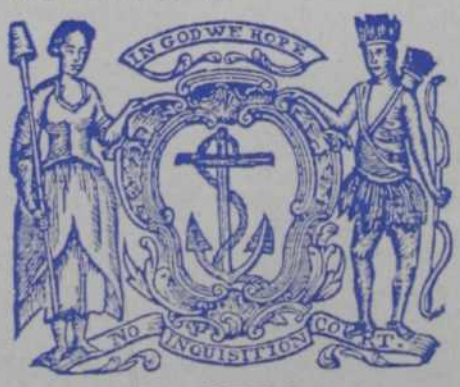
Destruction of an English sloop at Newport in 1769 was the first overt act of the Revolutionary War. Rhode Island was the first colony to renounce allegiance to England, two months before the Declaration of Independence. It was the only state which refused to attend the Constitutional Convention in 1787, and was the last to ratify, May 29, 1790, and then only after Congress threatened to impose tariffs as if it were a foreign country.

Until its state constitution was adopted in 1842, it operated under an old royal charter granted by King Charles II in 1663. The new constitution precipitated a bantam-sized revolution by Thomas W. Dorr, who served a year of a life sentence but did not live until the property requisite for voting was abolished 85 years later.

For 237 years, until 1900, Rhode Island had two capitals—Providence and Newport. It prohibited liquor from 1886 to 1889. But when the national prohibition act was passed in 1917, only it and Connecticut never ratified the amendment. A state referendum



Sixpence note, sample of currency used in Rhode Island back in 1786



1776

demanded repeal in 1930, three years before repeal became effective. When woman's suffrage was adopted in 1919, men were consoled with permission to collect alimony.

Everybody in Rhode Island lives in either a city or a town. The state does have farms and, say its boosters, a larger proportion of timber area than any other state. Both farms and forests are within the limits of one or another of seven cities and 32 towns. Superimposed on these are five counties, ranging from 25 to 433 square miles in area, and 46 or more special districts.

The five counties are historical heirlooms rather than living administration units. None has a budget or elected officials. Each has a sheriff, appointed by the governor, with three to 50 deputies. Rhode Island also has state police, local police and constables.

In the matter of local government, Rhode Island sticks to New England styles: town meetings, many officials and small salaries. A town has, in addition to clerical employes and school teachers, a town council of five to seven members, clerk, deputy, treasurer, town sergeant, police committee of three, chief of police, attorney, director of public welfare, health officer, building inspector, road foreman, forest warden, tree warden, dog officer, three appraisers of dog damages, sealer of weights and measures, pound keeper, zoning board of six, school committee of six, truant officer, three tax assessors, clerk and collector.

If councilmen do not double as probate court, a probate judge with his officials is added. The seven cities—Providence, Cranston, Warwick, Pawtucket, Woonsocket, Newport and Central Falls—have additional officials and paychecks. The last four still have upper and lower houses in their city councils.

The special districts are an old Rhode Island custom. One for a fire department in East Greenwich dates back to 1797. They are incorporated by the legislature for specific local purposes. Each district has its own officials with power to assess and collect taxes, borrow money and exercise eminent domain. The towns of Westerly and Lincoln each shelter six districts. Some towns have none. Most districts provide fire protection but some also provide water, street lights, parks, roads, sidewalks, police, beaches, garbage collection, mosquito control.

Cities, towns and special districts do not have home rule as in other states. Each has only the functions granted to it by the legislature. Consequently every legislative session is deluged with requests, usually granted, to extend or modify the rights of various units.

When mosquitoes annoyed the women of Misquamicut, town council gallants were helpless. So the senator and two representatives of Westerly town had a special district incorporated so Misquamicut could control mosquitoes, employ policemen, put out fires and build sidewalks. Rhode Island mosquitoes are official prey only in Misquamicut and Weekapaug merely because the legislature has authorized no other town or district to swat such pests.

Legislature is supreme

NOMINALLY Rhode Island has the same three branches of government—executive, judicial and legislative—as other parts of the United States. Actually the legislature is supreme. In joint session, it removes, or appoints, justices of the supreme court. The governor does the same for judges and clerks of the superior and district courts. As most of the governor's powers are granted by the legislature, that body has authority over the courts as well as over cities, towns and districts.

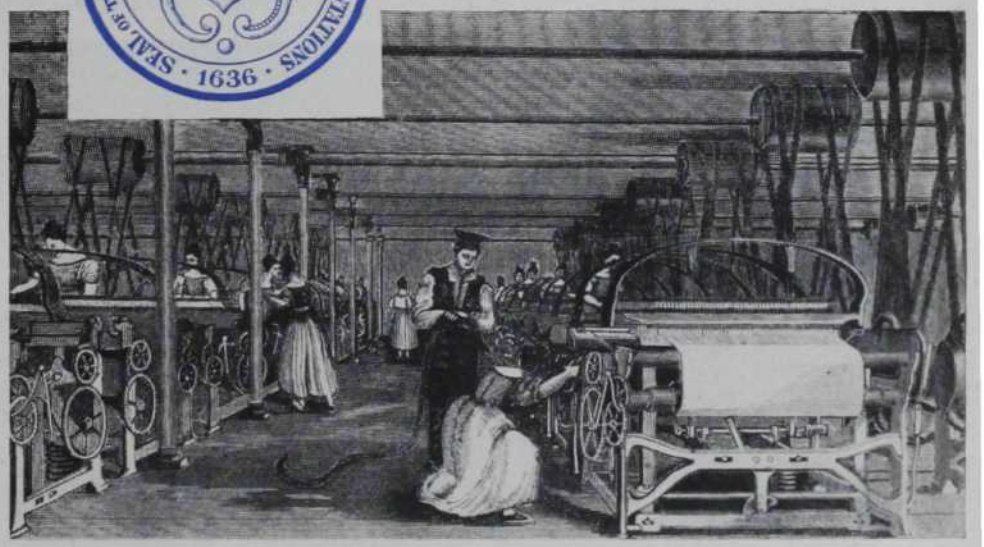
The legislature's own setup tends to perpetuate conservative small-town control. It has an upper and lower house. Providence elects five senators, Pawtucket two, and each of the 37 other cities and towns, one. Of the 44 present members, 27 are Republicans.

The House of Representatives is limited to 100 members, with the proviso that each city or town shall elect one but not more than one fourth of the total. Thus, West Greenwich (population, 526) elects one representative and Providence (population, 253,504) is limited to 25. If representation were proportional, Providence would have 482. Democrats elected 56

(Continued on page 60)

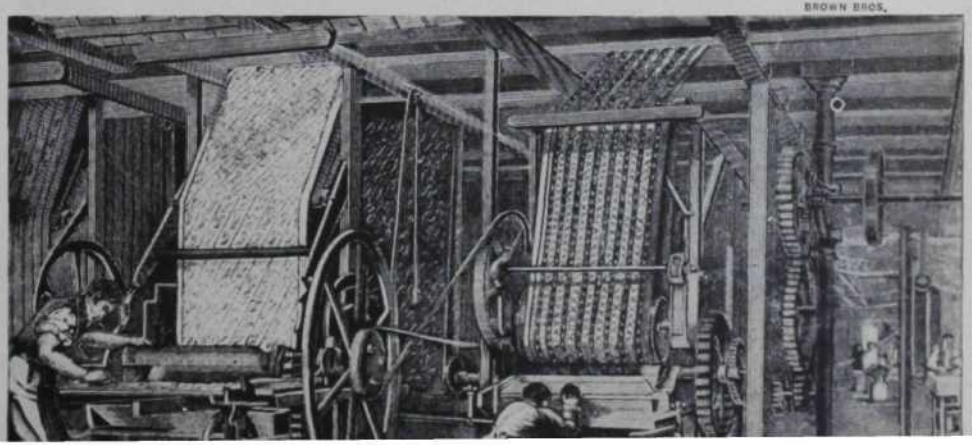
1892





Rhode Island pioneered in the cotton textile industry in America. Above, one of the first cotton weaving plants. Below, early-day calico printing

BROWN BROS.



Cracker Barrel Emporium

WESTON, VT., is an unassuming little town nestling between rolling hills and mountains in the southern part of the Granite State where approximately 500 New Englanders go their quiet ways. One passing through would assume that it was just another sleepy community built around an elm-shaded common. A plain, weathered wooden building with a wide porch stands beside the road and houses the Vermont General Store. A few rickety wicker chairs and a couple of boxes and nail kegs flank the door.

Inside there's a big, cast-iron stove. On a cracker barrel there's a checker game, just as it was left last night by two old-timers, who figure about one game in three nights' play is fast work. One might assume, too, that this store is just a typical north country general emporium catering to the local trade.

Horse collars hang from beams along with bits of chain and harness. Kerosene lanterns hang from spikes in the side timbers and old-fashioned kerosene lamps sit on shelves that reach to the ceiling. There's a huge cartwheel of cheese. There are signs all over the place: Spavin Cure, Iron Stove Polish, Ague Conqueror, Chewing Plugs.

Working behind this emporium of the 1890 era is a personality, however, who has revitalized life in the community. Much of the restrained, dignified atmosphere of old New England is present in Weston—and in the Vermont General Store—but the energy behind the proprietor merits mention.

Vrest Orton came to Weston in 1934. He was born in Hardwick, Vt., and moved away when he was 12. He spent 23 years outside the state, mostly in newspaper work, before deciding to return.

An old appealing brick house by the side of Weston common was for sale and Orton bought the property.

"I didn't know exactly what I wanted to do," he says, "but there was a dream in my mind of the atmosphere of an old-time general store. I wanted to live where I could make a living, but never dreamed when I started the store that we would also start the Vermont Guild of Crafts and Industries, or that we would have a summer theater."

He overlooked mentioning that he would become instrumental in putting the Weston Grist Mill into operation again, or that his store's reputation might grow until business would come from all the 48 states. Orton sells whole grain corn meal, wheat flour, rye meal, samp cereal, bolted buckwheat and other muffin cereal. His mail order catalog lists gift items in wood and metalware, Vermont maple products, cheeses and crackers—and pulls customers from coast to coast. He sells the grist, ground out by two old millstones, and linens and tweeds woven by Guild workers on old-fashioned looms.

Not one to take success as something to be expected, Orton plans to push his program. He explains:

"I want to make money, of course. That's the reason men go into business in America. I have competition, but that's also part of the business. But I am going to keep my store as it is. I want folks to come here and loaf."

And come here they do. Some have come to town to see the theater productions and have stayed to buy old abandoned and semi-abandoned farms. Others have come for brief holidays and remained weeks.

Vrest Orton found his niche when he returned to Weston. With his wife and two boys, he lives in the old brick house by the common. His wife has written a book on cooking with whole grains. Vrest is active in community activities.

His only time away from Weston since 1934 came during the war when he put in four years in Washington and his brother Paul ran the store and his father handled the grinding of the grains.

Weston folks like Vrest. His store, with its atmosphere of old New England, is an institution now. He's made a business success out of a dream, but he's done something more, too. He has helped a sleepy community rouse itself.

—HAYDN S. PEARSON



GEORGE WRIGHT

Vrest Orton, at the coffee grinder, found dollars in atmosphere



PHOTOS BY DEMENTI

Problems don't bother McCargo. His religion keeps worry away



Being Small Has Big Advantages

By HERBERT COREY

IF THE SMALL storeowner begins to think he is a minor Macy's, he's as good as lost. But if he stays in his own ring, he can be a champion

THIS IS NOT an interview with Wade McCargo. Now and then quotation marks will be used. He said:

"The trouble with managers of small stores is not that they do not know what to do, but that they do not do it.

"They're lazy.

"They sleep at the switch."

That's provocative enough. It should reward Mr. McCargo with a bundle of indignant letters from managers who can prove they are as active as weasels.

Mr. McCargo might ask in return "how's business" and "what's your markdown this year," and "are you keeping up with the procession or are you just lifting your feet?"

He probably would do nothing of the kind. He sees no percentage in the slap-back discourteous. He likes to cooperate. He is proud as a young mother of his small store on the wrong side of the James River in Richmond, Va.—two handsome show windows and a door wide and three stories high. Everything in it geared up to the minute. But he doesn't kid himself. He isn't a big retailer and he knows it.

The big stores in Richmond probably do $25,000,000 or $30,000,000 worth of business each year. The H. V. Baldwin Company, of which McCargo is the owner, might do $500,000 or $600,000. He was not asked how much. If he had been he would have told. He is that kind of man.

This is in essence a report on a remarkable man. The adjective is



"It isn't fair to ask a clerk to sell something he doesn't like"

traceable to several of the many thousand members of the National Retail Drygoods Association, which stretches from coast to coast. They were asked:

"Who is the best man to ask about the relations of the small store and the big store, and what the small man can learn from the big man, and—this being a season in which anything can be seen in the crystal ball—should we have cold feet?"

They replied:

"Why don't you talk to Wade McCargo?" Each added a handsome testimonial:

"He's a great guy."

McCargo is 50 years old, robust as a wrestler, fast on his feet and interested in practically everything. He likes his steak an inch thick and medium rare, ice cream on his apple pie and enough fixings to fill the plate when he dines. By ten o'clock in the morning his desk is cleared of the morning letters and, if he is busy as a bird dog on many things until midnight, he doesn't let it worry him. He takes an active interest in church affairs. Many men are self-conscious when they talk of religion. McCargo says that he is in the hands of the Lord.

"My primary interest is my religion. My business comes second."

As a witness before a committee of the Senate, he was on one occasion getting the rough side of Sen. "Bob" Wagner's tongue.

"You don't expect me to believe *that*, do you?" Wagner roared.

"I am a Christian," McCargo said. "And I don't lie."

He thinks the small store man has one immense advantage over the big store man. That is that he is small. He can get closer to his customers. They know him and they have faith in him and the proof is that, when a chain buys out a small store, it usually bargains to keep the manager. If a small store man begins to think of his establishment as a little Gimbel's or a minor Macy's, he's lost, but if he stays in his own ring he can be champion.

"A big chain store, for instance, gets a carload of rugs. The store manager may not have seen one of them. They were sent to him by the general headquarters and it is his business to sell them. He puts on a campaign, beats all the drums, does handstands, and when the fuss is over, the unsold rugs are returned. The small man buys only a few rugs but they are selected to fit his trade.

"A chain store makes a leader out of golf tees in the spring. The small store man, with his eye always open, puts in a supply. By November every golf player is completely sold on the golf tees but there is not one to be had in the big store. The space is needed for the blossoming Christmas display. So the buyer gets what he wants at the small store and, after a while,

he discovers that the small store carries as a regular line the things he regards as necessities and that the big store thinks of as novelties."

The all-important thing for the small store man is the personal relationship he establishes with his customers. One of the movie hits of the past season was the "Miracle on Thirty-Fourth Street," in which the hero was a Christmas season Santa Claus who had gone completely bats. He established a reciprocal friendship between the two great stores, and the clerks in Macy's would say to a disappointed customer:

"I'm sorry we do not carry that line—but if you'll go to Gimbel's you'll find a nice assortment—"

Goods can be returned

THE small stores have always obliged in that fashion. But the small stores have only lately followed the big store example of returning money with a smile. A dollar is nearer the small man's heart than it is to the fretting apparatus of the big chap. The man who has heard regrettable things from his wife about his taste for purple striped shirts takes the rejected items to the complaint desk.

"I'm returning these ——"

"Your name, please ——"

That's all there is to it. But the chief of a small store may look at the customer with eyes as sad as a cocker's and try to mourn him into making one more attempt to defy his wife's judgment. It's no good and both know it's no good and the storekeeper knows he has lost a customer by trying. That perfectly human desire to hang on to the dollar that has once been in the till has forced many small storekeepers to adopt Wanamaker's rule:

"The customer is always right."

It was that rule on which was built big store success in this country. McCargo would have the small store man go the big store affability one better. He would not only return the dollar as though it were a pleasure, but he would go to extra pains to please the customer on a new sale.

The small store man has a distinct advantage over the big fellow in such transactions. The big man returns the dollar through the impersonal mediation of a busy clerk —which, of course, lessens the customer's feeling of guilt—but the small store man has the customer at a disadvantage the moment he gets his dollar back. He knows, in his heart, that he has done the storekeeper wrong.

The independent stores are startlingly like the big ones nowadays, except in the matter of size. There are chains of independents —one store to a town—which by cooperation save money on purchases and keep abreast of the changes in style. They have their own house organs and cut-price detectives and operatives who watch every move of the opposition. But the one-store man can learn much from the big store, if he'll only bother to learn it. There is no reason for him to be afraid of the big store. It is a vast, impersonal mechanism, friendly in a negative way, like the Grand Central station on the night of a blizzard. Its final authority lives 20 stories high and a night's ride away.

But its people are on their toes all the time.

To reverse Swift's metaphor about the fleas, in a big store all the smaller fleas have bigger fleas to bite 'em. The higher up—with apologies to the mighty—the big-

(Continued on page 81)





Time was when the customer would take what was offered, pay and laugh. Today, if not satisfied, he walks away


MY BUSY DAY
Everybody's doing it now
ADMISSIO
5 CENTS
ARCADE
PEARL WHITE IN THE PERILS
PAULINE
CHAPTER 3
MARY PICKFORD
THE BIOGRAPH GIRL

Those Were the Days —or Were They?

By JOHN T. WINTERICH

I OFTEN wonder what ever became of 1913. During the 12 pleasant months it lasted it seemed, in the main, to be nothing much out of the ordinary, and such aspects of it as really were out of the ordinary looked all to the good. In retrospect, 1913 has always been ticketed, on my calendar, as a year that might well have served as a model for all futurity.

Actually, the world was hell-bound on an accelerating roller-coaster of disaster, but at the moment nobody knew *that*. Peace and quiet reigned everywhere—everywhere, that is, except the Balkans, China, Mexico and other assorted remote points that were just hang-over names from grammar-school geography sessions. (A few months later Mexico didn't appear nearly so remote.)

It was a year when science seemed to have got about as far as it could hope to go in the establishment of the machine age. A Frenchman demonstrated how vastly aviation had progressed since Orville Wright got off the beach at Kitty Hawk ten years earlier; he flew from Paris to Warsaw (933 miles) in ten hours and 12 minutes, with only two stops en route.

Despite this achievement, or perhaps because of it, the French War Office abandoned plans for the manufacture of military aircraft as "uneconomical." Germany and England, however, saw at least some slight military possibilities aloft, and so did the United States, which in December set up one aero squadron as an element of the Signal Corps—20 officers and 90 enlisted men with eight planes, 16 tractors, and six motorcycles.

Barney Oldfield drove a motor car around a circular track at Bakersfield, Calif., at a speed of 77.6 miles an hour, and the *New International Year Book*, reviewing a year in which "few changes of construction of automobiles" had been adopted, declared: "A standard has apparently been reached which will be altered only in minor details." True, there were compensatory checkreins to this state of perfection in the development of the internal combustion engine—the Colorado legislature had the effrontery to pass a law requiring the annual licensing of automobiles.

THE YEAR 1913—what a year that was, particularly for a young man just getting started on his career! But who would trade the past for 1948?

CHARLES DUNN



Radio began to grow

WIRELESS telegraphy (known as radio telegraphy) also reached a stage of what it called "standardization;" the government station at Arlington, Va., had developed a night transmission range of 3,500 miles, and chatted regularly—*dot-dash-dot*—with Eiffel Tower. Practice wire-telephone conversations between the east and the west coasts were conducted, but public demonstration was being saved up for the 1915 Panama-Pacific International Exposition at San Francisco.

Four varieties of beardless barley were produced in Alaska, and in Maine the reciprocal crossing of Barred Plymouth Rocks and Cornish Indian fowl evolved a creature of superior attainments in both egg and meat production.

The Piltdown Man, dug up (to the extent of two molars, a canine, and a fragment of skull) in a Sussex meadow the previous December, was actually, it developed, a woman with a brain capacity of 1,070 cubic centimeters, which was regarded as pretty darned good. There were women mayors (brain capacity not given) in Tyro and Hunnewell, Kans.; Warrenton, Ore.; and Dayton, Wyo., and women could vote in nine states.

Nine states—not the identical nine in which women voted—were dry, and in several other localities (among them Bowling Green, Ky.,

and Flint, Mich.) it was impossible, at least theoretically, to get a drink.

Minnesota had three dry counties and, even more anomalous, three counties which had a single saloon each.

Aluminum production was approaching 100,000,000 pounds a year, and was largely replacing tinfoil in the wrapping of tobacco, cheese and chocolate bars.

Spinal anesthesia was introduced, with somewhat rugged results, none of them fatal.

Naval supremacy

THE great powers were engaged in a kind of paper-chase called a "struggle for sea supremacy," but this appeared to be largely a battle of blueprints, a long-range chess match, with great good feeling evident on all sides. Our own *New York* and *Texas*, to be completed in the spring of 1914, were to have deck armor protection against bombs from aircraft. Britain's First Lord of the Admiralty, Winston Churchill (not to be confused with the rather better known American novelist of the same name), believed oil would be the fuel of future battleships.



It's treacherous, comparing the rosy past with the present

Andrew Carnegie headed the list of the nation's more princely donors, with $6,620,000. His numerous beneficiaries included the German Peace Society.

The parcel post system had been inaugurated on January 1, and reductions in rates were voted to take effect at the beginning of 1914.

It was an unusually quiet year in Wall Street, with only 83,467,176 shares of stock traded, and bonds of $501,514,520 par value. This represented the smallest turnover since 1897.

Sweden became the first country in the world to put into effect a universal compulsory old-age pension program, and eight of the United States passed minimum wage laws—Utah fixed $1.25 as a rock-bottom day's pay for an "experienced adult."

Los Angeles dedicated its 200 mile aqueduct system. In New York the Grand Central Terminal was completed, beating out the new fortifications at Pearl Harbor, on which a tenth of the job remained to be cleaned up.

The tango, regarded in some quarters as the respectable outgrowth of the turkey trot, and lacking the questionable features of the bunny hug, the grizzly bear and the Texas Tommy, was sweeping America and Europe, but the German Kaiser would have none of it, and forbade officers in uniform to dance it. The King of Italy didn't like it either.

A Russian exploring party discovered new land, frozen but authentic, off the northern coast of Siberia and named it after Nicholas II. Some indication of the loyalty to the Czar felt by minor Russian officialdom was provided by the refusal of some postmasters to cancel the imperial features on postage stamps celebrating the tercentenary of the Romanoffs.

The Athletics took the World Series from the Giants in five games. Tyrus Raymond Cobb led both major leagues in batting with .390—he was slipping a little, having hit for .410 in 1912 and .420 in 1911. Willie Hoppe successfully defended his title as 18.2 billiard champion. At the American Bowling Congress tournament in Toledo, W. J. Knox of Philadelphia rolled the first perfect game—300—in the history of the sport. Boxing, for a change, offered not a single championship bout but the heavyweight incumbent, Jack Johnson, tackling Jim Johnson in France in a non-title set-to, got a broken arm and a draw—the French Boxing Federation tried to make something of that.

There was one Republican in the Georgia Senate, and there were three Democrats in the Vermont Senate.

Considerable progress was reported in the field of physics, and Dr. William W. Stifler of Columbia University declared cautiously:

"The general conclusion seems to be warranted that the energy required to ionize an atom decreases as the atomic weight increases. If this is true, it may provide an explanation of the fact that we have no elements at atomic weight greater than about 240. That is, a heavier atom would require no energy for ionization and hence would disintegrate into an element of lower atomic weight. Since the radio-active elements have the highest atomic weights, this view is certainly very suggestive."

Oh, those were great days, all right, all 365 of them—but if, in 1913, Grandma had opened the icebox and an electric bulb had lighted up on the inside, she would have fallen back in a dead faint.

The cost of living

I MYSELF, for good cause, remember 1913 with vividness and affection. I was 21 years old and had just untied the apron strings that bound me to the old homestead by accepting a job as cub reporter on the Springfield (Mass.) *Republican*. My starting wage was $10 a week, and one of my first acts on the new job was to write home to Providence for the loan of a dollar in order to meet heavy initial expenses. If I may be permitted to skip lightly over a since-liquidated first mortgage on a home in Westchester County, N. Y., that was the last dollar I ever borrowed. After that first week I had reasonably plain sailing and when, two months later, I was raised to $12, my troubles were well over. Three months after that I was boosted to $15 and opened two bank ac-

(Continued on page 79)

New Life for the Hopeless

By SAM STAVISKY

AT THE age of 34, John Mitchell felt that life was pretty good to him. He worked in suburban Pittsburgh for a hauling outfit and, having saved a few thousand dollars, was thinking of going into the moving business for himself. Stocky and robust, John got physical satisfaction out of swinging heavy loads onto the truck with his powerful arms. He had a good job, good health, a nice family, and was a happy man. You could tell it from the way he hummed to himself at work.

Then, without warning, occurred a tragedy that robbed Mitchell of the things he loved most dearly. It was a rainy day, and John started to step out of the cab of the truck, when his foot slipped on the running board. He fell only about 18 inches or so, but injured his spine.

John was philosophical about it at first. He figured to be laid up a couple of weeks and then get back to work. Instead, John slowly discovered that his spine had been permanently disabled and that his lower limbs were paralyzed. He wasn't told it, but John nevertheless learned that he was doomed to spend the rest of his life in bed or, at best, in a wheel chair.



VA PHOTO

Flat on his back for three years, this man has been restored to wage-earning capacity, is now back home



U. S. AIR FORCE PHOTO

The first step to recovery is interested activity

It was a bitter blow, and John spent hours railing to himself at his fate. He drained his savings seeking cures but in vain. And the time came when John had to enter a state institution, because he could no longer afford private hospitalization, nor could his wife attend to the needs of a helpless invalid at home.

As his physical strength seeped away during the

long, monotonous days and nights in bed, John's spirit also ebbed. He became more and more apathetic, bestirring himself only when he heard the bell ring for meals. He got so he never really knew which meal he was eating. Now and then a doctor took a routine look at him, shrugged and left. They all said that John was a "hopeless" case.

But John was not a "hopeless" case. Eight years after the accident —John had by this time been shunted to the Woodville Home, Allegheny County's poorhouse outside of Pittsburgh—a new doctor examined him, read his case history, and told him he could have him out of bed and wheel chair within a few months, if he would follow instructions.

Dr. Murray Ferderber, 45 years old and fresh from war service, knew what he was talking about. He had helped hundreds of so-called "hopelessly" disabled get back on their feet in the Army Air Forces during the war. With the fervor of a crusader, the "Doc" ignited a spark of hope in the benumbed mind of John Mitchell. That was the beginning of John's resurrection.

In six months, supported by braces and canes, Mitchell was on his feet again. But more! He was at work again, this time with his hands, deftly smoothing the edges of plaster dolls as they came out of the molds. John is no longer a charity case in a state institution. He's a wage earner and taxpayer, and has every prospect of living a normal life.

How did the transformation come about? John was given heat treatments, massages and exercises to rebuild atrophied muscles and to make healthy tissue do the work for the paralyzed muscles. He was trained to walk again, supported by braces and two canes, to climb stairs, and cross the street. He was given finger exercises to



Dr. Rusk, while a colonel in the Army, found that once a man is on his feet, recovery is rapid



These patients, formerly interested only in remaining alive, now look forward to happier days



U. S. A. F.

"No case is hopeless until it's been proven the patient can't or won't respond to rehabilitation"

make his hands strong and skillful. In six months, by the dint of faith and hard work, chiefly on his own part, Mitchell was reconstructed from a helpless invalid to a self-supporting individual.

The revival of John Mitchell had its roots in World War II and in the inspiring genius of 46 year old Dr. Howard A. Rusk, under whom Dr. Ferderber served in the AAF. Six-feet-three, gentle but persuasive, Dr. Rusk studied, practiced and taught internal medicine in his native Missouri without attracting much attention.

During the war, however, serving at an AAF hospital, Dr. Rusk took to wondering what he might do to ease the boredom of some 2,000 convalescing patients. He tried out a few programs, entertaining and informative. Patients liked them.

Dr. Rusk expanded the programs until the wards were soon converted into a strange but happy combination of school, forum, gym and machine shop.

"Let's keep the patients' minds and bodies busy," said Rusk. "Let's build up weakened muscles, retrain unused muscles." He even had patients with limbs in casts out playing baseball despite their supposed immobility.

As a result of this physical and mental reconditioning, Dr. Rusk found his patients not only getting well faster but also having fewer relapses. By the end of 1942, the Missourian had been placed in charge of the Air Forces entire convalescence service. His methods succeeded in restoring to some kind of duty the large majority of AAF combat casualties.

Treat the whole patient

RUSK'S methods are based on his belief in treating and dealing with the whole patient, not only with the sick part of the body. He also believes in treating each patient as a separate individual, with individual problems, and not as a statistical case history that fits into a specified pattern. He believes in treating the patient not only for the acute phase of the illness, and then letting him get along by himself, but to keep on treating him until he has received the maximum possible benefits.

The AAF rehabilitation program attracted scores of doctors and technicians, and many of them left the war intent on carrying on the program in civilian life. Rusk himself gave up a lucrative St. Louis practice, joined the medical staff of New York University, and is carrying on his treatment program in the charity wards at Bellevue Hospital and at the new model Institute for Rehabilitation and Physical Medicine in New York City.

Dr. Ferderber, a portly, graying-haired specialist in physical medicine, who gave up engineering to study medicine, worked closely with Dr. Rusk during the war. Ferderber returned to Pittsburgh to practice and serve on the staffs of Presbyterian Hospital and the University of Pittsburgh Medical School. But he also returned with the determination to do something for the "hopeless," chronic invalids at the Woodville Home for the indigent.

At the Home he found an attendant, ex-Navy Nurse Lawrence Honeychuck, eager to try getting the bedridden on their feet again. The Allegheny County commissioners were sympathetic to the idea but said they had no funds to spare.

Starting from scratch, Ferderber and Honeychuck converted a bare

basement room into a gym and training center. Discarded mattresses were converted into exercising mats. A castoff wheel chair was rebuilt into a shoulder exercising wheel. Parallel bars, overhead ladders, exercise steps and the like were similarly improvised from the institution's junk pile.

When first approached, the patients were suspicious and reluctant to participate. The whole idea looked to them like a plot to get them out of their haven, their last refuge. Three of the more courageous were persuaded to try the course, and one was the aforementioned John Mitchell.

Holds great promise

SINCE then, scores of "hopeless" chronic cases, like Mitchell, have been rehabilitated through a program inspired by the wartime experience of the AAF. Applied on a national scale the program holds tremendous promise, both in terms of financial savings and human dignity.

Consider one facet of the chronic invalid problem. Of the 92,500 patients in our veterans' hospitals, 48 per cent have been under treatment for more than six months, some for as long as 20 years. It costs Uncle Sam $9.05 a day—$3,303 a year—to hospitalize an ex-serviceman, an annual expenditure of $153,000,000 for hospitalization of the chronically disabled veterans, a majority of whom are suffering from non-service diseases and injuries.

The over-all national problem is of staggering proportions. A sample survey taken by the Public Health Service in 1936 indicated that 11.4 out of every 1,000 Americans were chronic invalids. The proportion of invalids rose with the age groups, so that in the 65-74 year age group, 53.5 out of 1,000 were chronic invalids. A later Public Health Service survey indicated that chronic disease and injury annually fills 750,000 hospital beds at a cost of billions. Nor does this enormous cost take into consideration the vast annual loss of productive capacity of the chronically disabled.

The nation's hospital beds are literally crammed with chronic cases. The situation is getting more critical, because we have wiped out epidemic disease and thereby increased the individual's life span. In turn, we have made the individual more vulnerable to the crippling diseases associated with advanced age.

Projects to cost more

DEEPLY concerned with the social welfare of the "incurables," some federal, state, county and local agencies are already planning bigger and better institutions for the bedridden, projects which will demand a formidably larger part of the taxpayer's dollar.

The rehabilitation program, however, offers at least a different approach to the program.

At Fort Snelling Veterans Hospital in Minneapolis an intensive program directed at rehabilitating the paralyzed victims of the nerve, brain, and spinal cord disabilities has demonstrated that: Many "incurables" can be restored to full or partial employment; more "hopeless" cases can achieve self-care and the ability to get around; in only a small percentage of cases is it presently impossible to improve the condition of neurologic invalids.

Two nerve specialists—Dr. A. B. Baker, 39, short, bald, and sharp-eyed; and Dr. Joe R. Brown, 36, tall, dark, and confidence-inspiring—initiated the program at Minneapolis. They were assigned by the University of Minnesota Medical School to set up a teaching program at Fort Snelling for the Veterans Administration doctors, and found the neurological ward filled by 80 chronic patients. They decided to try out the AAF program—used during the war chiefly for men of combat age—on the bedridden old-timers.

"You can't have a hospital teaching program without bed turnover," explains Dr. Baker. "So we just went ahead and did the obvious—rehabilitated what patients we could." The hospital's physical medicine staff and social service worker joined enthusiastically in the project.

Success exceeds hopes

THE success during the first year of the program was more than anticipated. Many of the patients had been bedridden for years. Each new case of chronic disability reporting to the hospital with paralysis, was immediately started on the "rehab" course, and within a few months time a number were restored to home environment and some even to their old jobs.

"In the past, once a patient with paralyzed limbs was put in bed," Dr. Brown points out, "he stayed there for the rest of his life. The limbs lost ability to function and the muscles atrophied. The longer the patient has been in bed, the longer it takes to get him on his feet again."

Charlie Niemzyk, 55 year old former baker, is typical of the Fort Snelling graduates. Active all his life, he was knocked out by pernicious anemia and bedridden for three and a half years. He was still eager to get out of the hospital, and so was a good candidate for the program.

He underwent three operations to take advantage of war-developed surgical techniques, slowly built himself up through physical therapy and exercise, learned to walk with braces and canes, and went home. There, he encountered a new problem. It was unsafe for him to climb the stairs unless railings were put up. At this point Mrs. Mary Carpenteri, attractive, energetic social worker, contacted a veterans organization which provided the railings. Charlie was thereby permitted to leave the hospital. Today, he is earning a little money, making potholders and wallets at home.

As a result of Charlie's need for railings, a group of



"Oh dear, we'll have a hard time making our baby sitter believe this"

PNEUMONIA IS BEING CONQUERED

WHAT SCIENCE IS DOING



1. Before 1930, pneumonia stood among the first three causes of death. Once the disease struck, careful nursing and the use of oxygen were about the only ways of fighting it. The death rate was about 83 per 100,000.



2. From 1930 to 1938, *serum treatment* was started and developed. This involved, first, laboratory analysis to determine the particular type of the disease and, second, administering a serum known to combat the disease if it were one of certain types. Pneumonia's death rate dropped, and in 1938 was about 67 per 100,000.



3. From 1938 on, modern medical science has scored one of its most dramatic successes. First the sulfa drugs, then penicillin and streptomycin have proved effective in combatting many types of pneumonia. While the death rate from pneumonia had been reduced to less than 40 per 100,000 in 1946, this disease is still a frequent cause of death.

WHAT YOU CAN DO



1. Try to avoid catching a cold. If you keep your general level of health high, especially during the "pneumonia months" of January, February, and March, you won't be as susceptible to colds or pneumonia.

Be careful to dress warmly when you go out, and try to avoid people who cough or sneeze carelessly.

It is estimated that 9 out of 10 pneumonia cases start with a cold.



2. If you get a cold—take care of it! You will protect yourself from possible pneumonia, and you'll protect others from your infection.

Stay home and rest if you can. If you must go out, keep warm and dry. Eat lightly, and drink plenty of fruit juices and other liquids.

When your children have colds, keep them at home to protect their health and that of their classmates.



3. If your cold hangs on, or if your temperature goes up, or if any other unusual symptoms appear, go to bed and *call your doctor at once!*

It may be only a severe cold, but if it should be pneumonia, or influenza, or some other illness that starts like a cold, your best chance for a rapid recovery will come from prompt diagnosis and immediate medical and nursing care.

To learn more about how you can guard against colds, pneumonia, and influenza, send for Metropolitan's free booklet 18-H, "Respiratory Diseases."

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Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
1 MADISON AVENUE, NEW YORK 10, N. Y.

TO EMPLOYERS: Your employees will benefit from understanding these important facts about colds and pneumonia. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

local citizens have formed a follow-up service for the rehabilitated veterans, to help them with new problems at home and also to help them obtain gainful employment.

At Minneapolis, the minimum goal is to teach the chronic, helpless invalid self-care, including getting into and out of bed and wheel chair, dressing and undressing, washing, bathing, shaving and the like. It has been found that many families are glad to take home a long-forgotten father or husband once the invalid shows he won't become a 24 hour nursing burden.

Two goals sought

THE secondary goal is ambulation, getting around, perhaps with the aid of braces, crutches, canes, or other prosthetic devices. Ambulation includes climbing stairs, crossing streets, boarding vehicles and other simple activities related to walking. Maximum goal is attainment of complete social and economic independence. This calls for vocational retraining and selective job placement.

The "rehab" program at Minneapolis makes use of virtually every facility available at the hospital. The patient is evaluated, a goal is set for him within the limit of his capabilities and the course is instituted. The patient may require further medical or surgical treatment. He probably will require physical therapy. He may need to learn to talk again if paralysis has affected the throat. He'll need conditioning to strengthen the body. And he may need stimulation and motivation.

A social worker will have to work on both the patient and his family to iron out domestic difficulties in getting the patient back home. All the staff members participating in the program get together once a week to discuss not only general problems, but also individual problems. In that way—following the Rusk concept—each patient gets the benefit of complete treatment.

Some of the most difficult cases are making a comeback at Fort Snelling. A 75 year old doctor, paralyzed on one side of the body after suffering a third stroke, is learning to walk and talk again. A 60 year old victim of locomotor ataxia, ill for 23 years and in hospitals for 20, unable to walk for ten, soon will be ready for discharge. He can now get around despite his lack of muscular coordination.

The younger men usually make faster recoveries. A 26 year old ex-GI, father of two children, suffered hemiplegia—a stroke. He pushed hard at the rehabilitation course and made fine progress. It took a year to teach him to talk again with the unparalyzed throat muscles. Today he's back in Nebraska running a trucking business.

Two patients, each with one leg amputated and the other paralyzed, have been put back on their feet. Both are walking, and one has already left the hospital. "No case is hopeless until it's been proven the patient can't—or won't—respond to rehabilitation," says Dr. Baker.

To illustrate his point he cited the case of a 50 year old farmer, victim of a heart ailment, who was in so serious condition when he arrived at the hospital that the social worker was sent to the patient's wife to help her arrange for the funeral. Five months later, the "dying" patient was sent back to his farm, where he is now supervising the activities of two sons and helping with the chores.

VA hospitals well equipped

THE program at Minneapolis is the "most socially significant development to come out of a veterans hospital since the end of the war," according to Maj. Gen. Paul R. Hawley, who recently resigned as Veterans Administration medical director.

Of course, veterans hospitals are pretty much in a class by themselves when it comes to having adequate supplies, personnel and equipment. What's being done at the Fort Snelling hospital in the way of rehabilitation is being done on a lesser scale at other VA hospitals, many of which are staffed with men who served under Dr. Rusk in the AAF.



"That reducing course she took must have been OK"

It is probably more significant that the revivification program can be carried on, if necessary, with little equipment and manpower. What's been done at the Woodville Institution in Pittsburgh is a good example of accomplishing a lot with a little. It takes a longer time, though. At Woodville, Dr. Ferderber and the institution staff can provide the medical attention and physical therapy, but braces and other artificial aids must be obtained through the Pennsylvania Board of Vocational Education. Still, all kinds of cases, of all ages and both sexes, have been discharged there, capable of earning their own living.

A 25 year old girl, who worked during the war years at a machine and later suffered a malady which paralyzed her legs, will soon resume life as a beautician. Patients themselves are teaching each other new trades and skills. A 48 year old tabetic, on his back for three years, will soon resume his job as a movie projectionist. A 50 year old railroad worker who broke his back in 1942 is waiting for plastic surgery and braces preparatory to returning to his family. A 77 year old stroke victim learned to walk again and has returned to work as a chemist.

Cures help others, too

SOMETIMES the restoration of one patient means the rehabilitation of two. Joseph Schatzel, 58 year old diabetic, had to enter a state institution along with his wife when he lost a leg and his ability to earn a living. Schatzel responded eagerly to the course at the Woodville Home, left to take part-time work at a brewery, and took his wife out with him.

So well has the program progressed at Pittsburgh, that the Allegheny County Commissioners are now actively supporting it to the extent of approving the construction of a new recreation hall for the patients. Other institutions have been sending observers to Woodville and are planning to adopt the program of human restoration.

What's being done in Minneapolis on a grand scale and what's being done in Pittsburgh in an inexpensive manner gives evidence that the chronic invalid does not have to waste away his life in bed or wheel chair. In any hospital or convalescent home where there is a doctor who understands the Rusk-AAF program and who is willing to push it through, there is hope for a new life for the "hopeless."

Kodak

Eastman Kodak Company

announces

THE BIG NEW PLUS

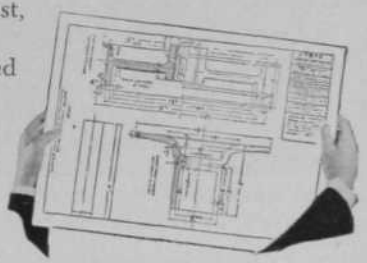
in engineering drawing reproduction . . .

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With this—the announcement by Eastman Kodak Company, world's outstanding maker of photographic materials, of a new line of reproduction papers—you'd naturally expect a big new plus. And you're getting it: first—new Kodagraph Contact Paper which brings new features, new effectiveness to existing photographic reproduction methods. Second—revolutionary new Kodagraph Autopositive Paper that brings the unique advantages of photographic reproduction to direct process and blueprinting equipment.

The PLUS that Kodagraph Contact Paper brings to photocopying

Photographically, you can do things that can't be done any other way. You can get better printability from old and new drawings . . . reproduce blueprints, opaque drawings. And the plus Kodagraph Contact Paper brings to this is the assurance of brilliant contrast, wide latitude, flatness, long-lived legibility, and dependable uniformity.



The PLUS that Kodagraph Autopositive Paper brings to direct process and blueprinting equipment

Truly revolutionary . . . this new Kodagraph Autopositive Paper. Exposed in direct process or blueprint machines, it brings the advantages of photography to the making of masters of new tracings for highest quality prints . . . to the restoration of "unprintable" tracings, the reproduction of blueprints or opaque drawings. Does this directly—no negatives—in your present equipment, in ordinary room light.



See what this big new PLUS can mean to you—write for booklet

For unsurpassed photocopying—Kodagraph Contact Paper. For direct process and blueprinting equipment—Kodagraph Autopositive Paper. And for printing from reduced-scale negatives, there are Kodagraph Projection Papers. To survey the possibilities of this Kodagraph line—quickly—write for "The Big New Plus."

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Company_____

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City_____ State_____

Rhode Island Meets The Piper

(Continued from page 45)

members of the present house. With one death and three Independents, the grand committee, or a joint session, divides into 70 Democrats and 70 Republicans with the lieutenant governor having the deciding vote.

Though Rhode Island raises a legislator for every seven and a half square miles of land, its assembly is not as overstaffed as in the other five New England states. With Yankee frugality, a solon's per diem is fixed at $5 for 60 days. He may orate longer under the statue of The Independent Man, symbol of Rhode Island, atop the state house dome—but at his own expense.

Of nation-wide interest, because similar programs are in every state, is Rhode Island's experience in public assistance, a part of social welfare. The law reads:

"Public assistance shall be provided . . . to any person in need living in Rhode Island who does not have sufficient income and resources available to maintain a reasonable standard of health and well being."

Only Rhode Island pays persons who are not residents of the state. Nor need they be American citizens.

As to residence, 36 states require one year preceding the application and four years out of the preceding nine, the maximum requirement permitted by the federal Government.

Large relief establishment

THE duplication of relief personnel is particularly noticeable in a state as compact as Rhode Island. The Administrator of Public Assistance with a dozen specialists and staffs is in Providence. Each of the five areas in the state has a supervisor. Employes now start to multiply. Full-time offices are in 26 cities and towns, and part-time in the other 13. Each office has a chief and clerks to administer old-age assistance, aid to children and aid to the blind, the three types of assistance in which the federal Government participates.

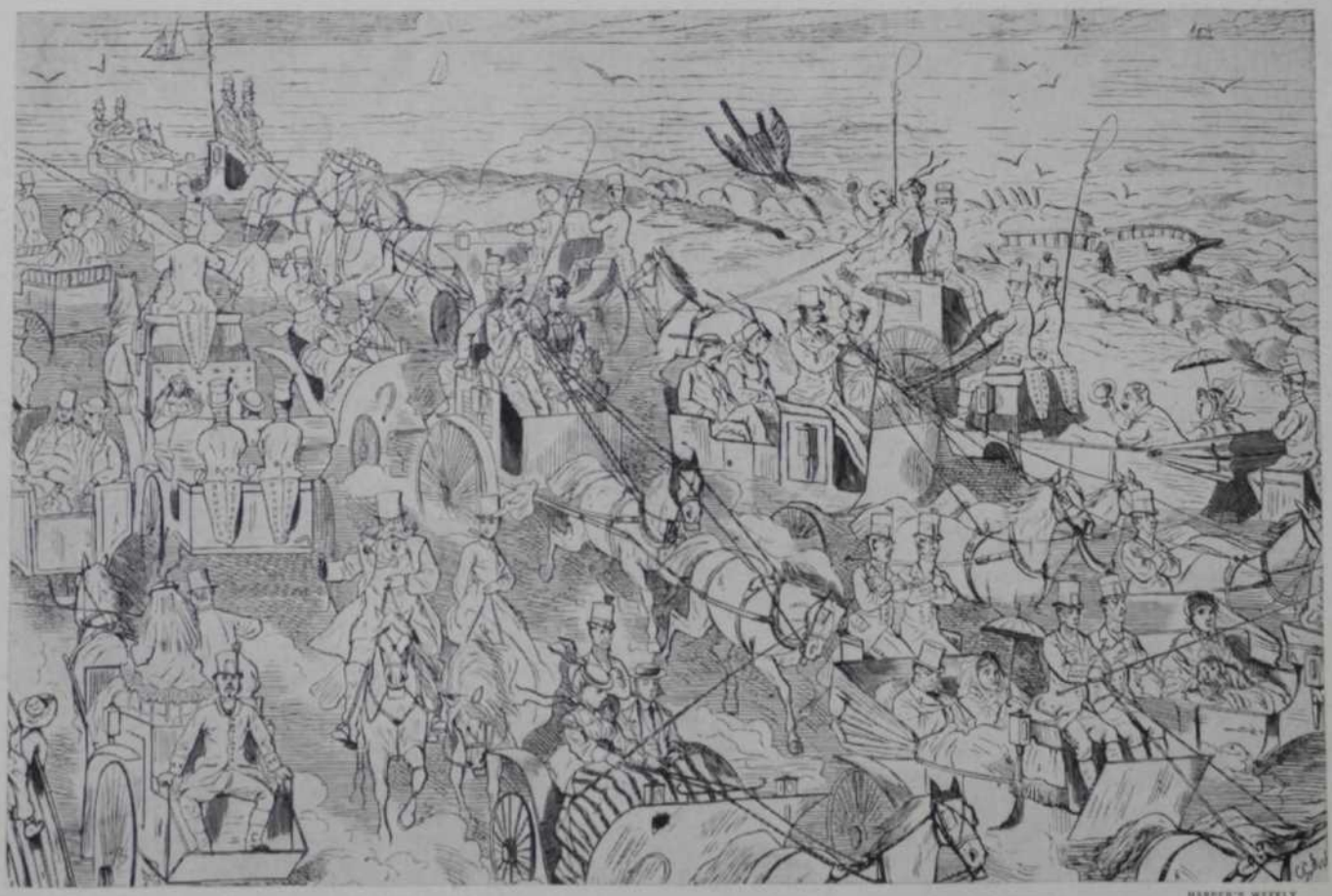
Each office also has a director of public welfare, formerly overseer of the poor, and his staff to distribute general assistance, which is entirely a state and local responsibility.

The federal Government fixes limits and procedures for its contribution but the state decides eligibility, amounts and standards of health and well being.

As Rhode Island, with federal aid, contributes the funds for assistance to aged, children and blind and also contributes 90 per cent of the funds for general assistance —the locality supplies the remainder—a frequent suggestion is to consolidate office staffs. A further suggestion is to merge the smaller town offices.

Such suggestions run afoul of New England's traditional town system and familiar political rivalries.

Directors of public welfare are local officials. They know their people. John A. Hamilton of Cranston is said to be the dean of such officials in the United States. Also, as each one has at least one senator and one representative from his home town, the influence of the public welfare directors is consider-



HARPER'S WEEKLY

The drive at Newport, 1869. Destruction of an English sloop at Newport in 1769 was the first overt act of war. Rhode Island was first colony to renounce allegiance to England

able in the all-powerful legislature.

Rhode Island is generous in its payments—above the average for the rest of the country—in all types of relief. For those who want exact figures, the Social Security Administration in Washington supplies them. In June, 1947, average payments across the country were: old age, $36.04; a dependent child, $24.20; blind, $37.91; and general assistance, $39.18.

Rhode Island helped 8,366 aged with $39.66 each; 6,045 children, $30.90; 137 blind, $41.25; and 2,600 poor, $43.60. Forty-five out of every 2,000 in the population received assistance in that month. At that rate each resident of Rhode Island would contribute $6.05 in a year and the federal Government would add $4 which he'd also help pay.

SSA also figures that, out of every 100,000 persons in Rhode Island, 839 received general assistance from state and local funds in June. Only Maryland and New York with 923 and 921 respectively were higher while the national average was 547. Out of every 1,000 more than 65 years old, 131 received assistance in Rhode Island, as did 28 of every 1,000 children under 18 years. National averages were 214 and 23. Oklahoma, however, supports more than half its residents of 65 and over—574 of every 1,000.

The effect of dual state and local distribution of relief and the influence of partisan rivalries on the figures is a highly controversial subject in Rhode Island.

Only bachelors and spinsters between the ages of 18 and 65 and with good eyesight cannot qualify for any of the three types of relief to which the federal Government contributes. They are eligible only for general assistance.

Payments for unemployment

WHILE unemployment compensation is insurance, it is a tax on employers and employes, collected, administered and distributed by the states. In this, Rhode Island also is generous. It is the only state where an employe with accumulated benefits can collect compensation when he quits work voluntarily. It is one of the few states which pays cash sickness benefits.

In June of this year, 227,800 workers, more than one third the population, were covered by unemployment insurance and 7.3 per cent of them had claims. Only California had a higher percentage. At the same time, Rhode Island was paying out 42 per cent of its collections in benefits. Seven states were digging deeper but only Massachusetts in the New England



If you want to test the public's knowledge of automotive combustion, try saying to a friend, "There's a fire in your car." He'll jump and run for an extinguisher. Like most people, he doesn't realize it takes about 12 to 16 explosive fires to get the wheels to turn once, or roughly about 8000 explosions per mile traveled. That's combustion—the fire in your car.

To the all-important problem of increasing the efficiency of combustion in all types of internal combustion engines, Cities Service has devoted more than 15 years of research. Today the result of this research is reflected in a whole range of new or better products. Faster-acting, more efficient engine cleansing solvents; motor oils to keep engines cooler and cleaner; improved, better balanced gasolenes; plus the remarkable Power Prover service to tune-up engines scientifically in a matter of minutes.

This same extensive research in combustion is currently solving production problems for industry by cutting costs, saving fuel and improving efficiency in all kinds of industrial applications.

If you have a combustion problem in your plant or your transportation equipment why not call upon a Cities Service combustion expert to take over your worries. Phone, wire or write: Cities Service Company, Sixty Wall Tower, New York 5, N.Y. Room 24.

CITIES SERVICE

Cities Service

means Great Service

ALL THE WAY FROM THE REFINERY TO YOUR PLANT



Labor's stay-on-the-job record is

UP

in New York State

A smaller proportion of man-days was lost as a result of strikes in New York State than in any other of the nine leading industrial states. Collective bargaining is not new here; labor and management have been settling their differences peacefully for a generation.

HERE'S EVERYTHING YOUR BUSINESS NEEDS!

Check everything your business needs to thrive—the answer is New York State. Here you'll find the country's richest, most concentrated market. Convenience to foreign markets. All kinds of modern transportation facilities. Friendly, progressive communities. Expand, locate in the Empire State! *Write New York State Department of Commerce, Room 22C, 112 State Street, Albany 7, N. Y.*

group. The big contributions to Rhode Island's fund emphasize the figures. Until this year's changes, employers contributed 2.7 per cent reduced from three per cent of their payrolls and workers voluntarily paid 1.5 per cent of their wages into the fund, the highest rates in the country.

Rhode Island and Mississippi were the only states without experience ratings to reduce employer payments. Rhode Island has changed this but, always unique, bases the rating on payroll averages over three years, instead of on number of employes as is customary. At the same time, employe contributions were reduced to one per cent on up to $3,000 in wages, exclusively for the cash sickness fund.

Fearing that Washington may be an Indian giver, $28,000,000 was transferred from there and added to this fund.

Insurance against sickness

RHODE ISLAND'S sickness fund will interest other states. Employe sickness insurance is a state monopoly. Employers and insurance companies are barred from writing it. An ailing worker with credits will receive full payments though still on a payroll. If he receives workmen's or unemployment compensation, the added sick benefit must not bring total payments above 90 per cent of wages. An applicant must have worked in the preceding six months and claims are presented by a family physician, osteopath or chiropractor.

In Rhode Island, almost half the workers covered against sickness are women. They almost scuttled the cash sickness fund. Maternity payments ran indefinitely, an expectant or successful mother frequently drawing more than she had contributed and then not returning to the labor market. A $50 bonus for every baby in the state would have been cheaper. Maternity payments are now limited to 15 weeks, which is liberal compared to the six weeks' federal limit.

Finding tax money to match this largess is becoming increasingly difficult. An income tax has been proposed but, although average net income in Rhode Island is $1,268—ten per cent higher than the national average—the strain is already great. In 1945 federal taxes were $345.67 per capita; state, $43.53, or 30 per cent above the national average; local, $43.33, or 21 per cent above average. Individuals paid 46.5 per cent of the total;

business, 38.5 per cent. The balance was divided.

So an inheritance tax was accepted as more farseeing than an income tax on individuals. Corporations, however, did not get off as easily. A corporate excess tax was enacted, similar to what only Illinois has. Briefly, as explained by Judge Edward L. Leahy, state tax administrator, it is levied on the value which a corporation's real and personal property and tax exempt securities have in excess of their locally assessed value.

The politically balanced legislature also voted a one per cent sales tax and a one cent tax increase on cigarettes and telephones. To appease workers, tax-free unemployment benefits were increased, but their percentage of weekly wages was reduced from 78 to 66 per cent.

Heavy burden of taxes

TO THE increasing tax burdens on business, common to other states, population and economic trends add new burdens. Ten of Rhode Island's 32 towns have fewer inhabitants today than they had before the Civil War, four of them fewer than in 1790. Four of the seven cities, the big tax sources, have shrunk since the '25's and '30's. The population exodus has been to suburbs, but the pressure on finance, business and industry is to find other states where taxes are lighter.

Rhode Island demonstrates that states have reached the end of the road along which financial difficulties could be solved by merely raising taxes. Government business—national, state or local—must be modernized. Its peculiar economic, geographic and political structure and tax sources make that imperative in Rhode Island.

Other states can take warning. Only Connecticut has higher taxes than Rhode Island on business. Only Wisconsin gets a higher proportion of its income from business taxes. Another one cent tax on a package of cigarettes is small but the customer eventually may become sufficiently annoyed to stop smoking. Less revenue, less business and less employment is the result.

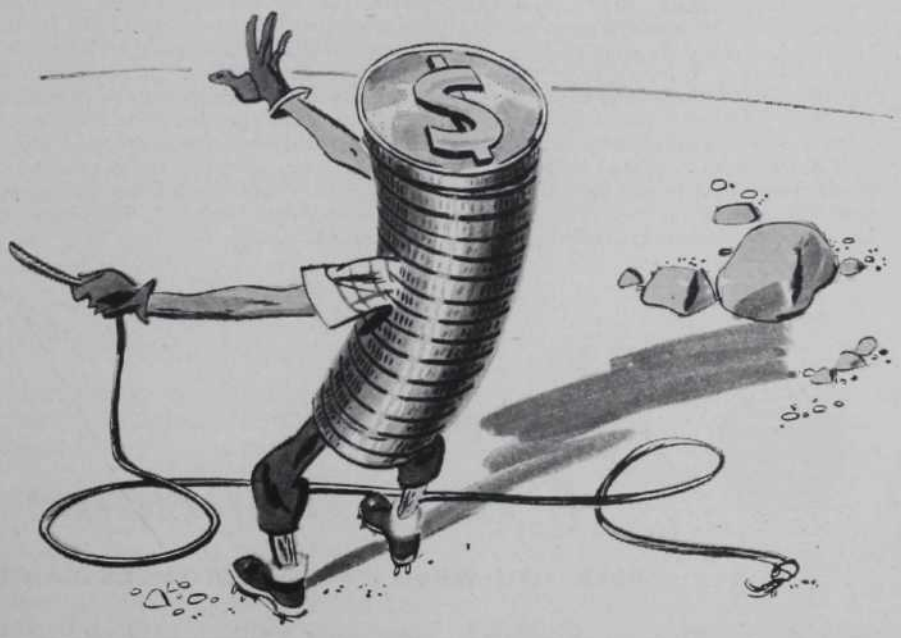
Other states are in much the same situation as Rhode Island. How far can the "only another cent" tax policy be stretched before business, like the overloaded camel, balks or pulls up stakes and leaves the state? States are learning that they cannot live by taxes alone. Those that ease the tax burdens will get the future business.

Tax rates are

DOWN

in New York State

Business taxes—corporate and unincorporated—are down 25%. Personal income tax cuts totaled $386,000,000 in the past five years. No state sales tax, no excess profits tax. And in the past three years unemployment insurance tax credits to business firms reached $300,000,000. It *pays* to locate in New York State.



CREDIT LOSSES ARE CLIMBING



"Excuse me, Mr. G.—but that man is here again!"

ARE YOUR PROFITS PROTECTED AGAINST THIS DANGER?

MANY BUSINESSMEN TODAY are heading blithely toward trouble—because they are not giving serious attention to the rising threat to their profits brought about by a rapid climb in credit losses.

THE MONEY YOU USE to write off credit losses comes out of your *profits*. And today credit losses are still rising. Can you *afford* to leave your receivables uninsured . . . or could a jump in your credit losses wipe out your profits?

SOUND BUSINESS JUDGMENT tells you that your accounts receivable are important assets *at all times* . . . subject to risk *at all times* . . . should be protected *at all times*. This is why manufacturers and wholesalers in over 150 lines of business carry American Credit Insurance . . . which GUARANTEES PAYMENT of your accounts receivable for goods shipped . . . pays you when your customers can't.

SEND FOR NEW BOOK, "HOW TO PLAN CREDIT POLICY." Written to help businessmen meet credit problems, this book also tells how the MINMAX Principle of Credit Control (accomplished through American Credit Insurance) permits accurate budget calculation . . . provides freedom from unexpected credit losses . . and prevents an excessive number of delinquent accounts. For your copy, phone the American Credit office in your city, or write today. Address: American Credit Indemnity Company of New York, Dept. 41, Baltimore 2, Maryland.

J. F. McFadden
PRESIDENT

AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK

American Credit Insurance

PAYS YOU WHEN YOUR CUSTOMERS CAN'T

Offices in Principal Cities of United States and Canada

Quick-Dried Spuds



RAGS-TO-RICHES stories have been coming out of the West ever since that section was opened to settlers, but many of the stories deal with the building of huge cattle empires or fabulous mining ventures. This one, however, deals with the lowly potato and how a once small firm dried and promoted that vegetable until now it is a much sought-after product.

The firm is Northwest Dehydrators, Inc. It got its start in 1943 when wartime demand for dehydrated potatoes was at its peak. The plant began operations in a small way and expanded gradually until at present it does a yearly business of $3,000,000. All of this is in precooked spuds.

The plant is at Lynden, Wash., a small farming community in the northwest corner of the state, not far from the Canadian border.

A daily production of 10,000 pounds of dehydrated and riced potatoes was aimed at, along with lowering the moisture content of the spud. Now the plant turns out 40,000 pounds a day. Reduced moisture content was sought because it is said that the less moisture the better the taste.

Before the spuds go into cans for shipment to market a steam blast peeler strips off a thin layer of the outside husk. A drying machine removes the moisture in half the usual time required. This is the chief reason for the plant's success since quick drying leaves in more of the natural flavors. Sales promotion takes over from there to acquaint shoppers with the product, called Speed-tatoes.

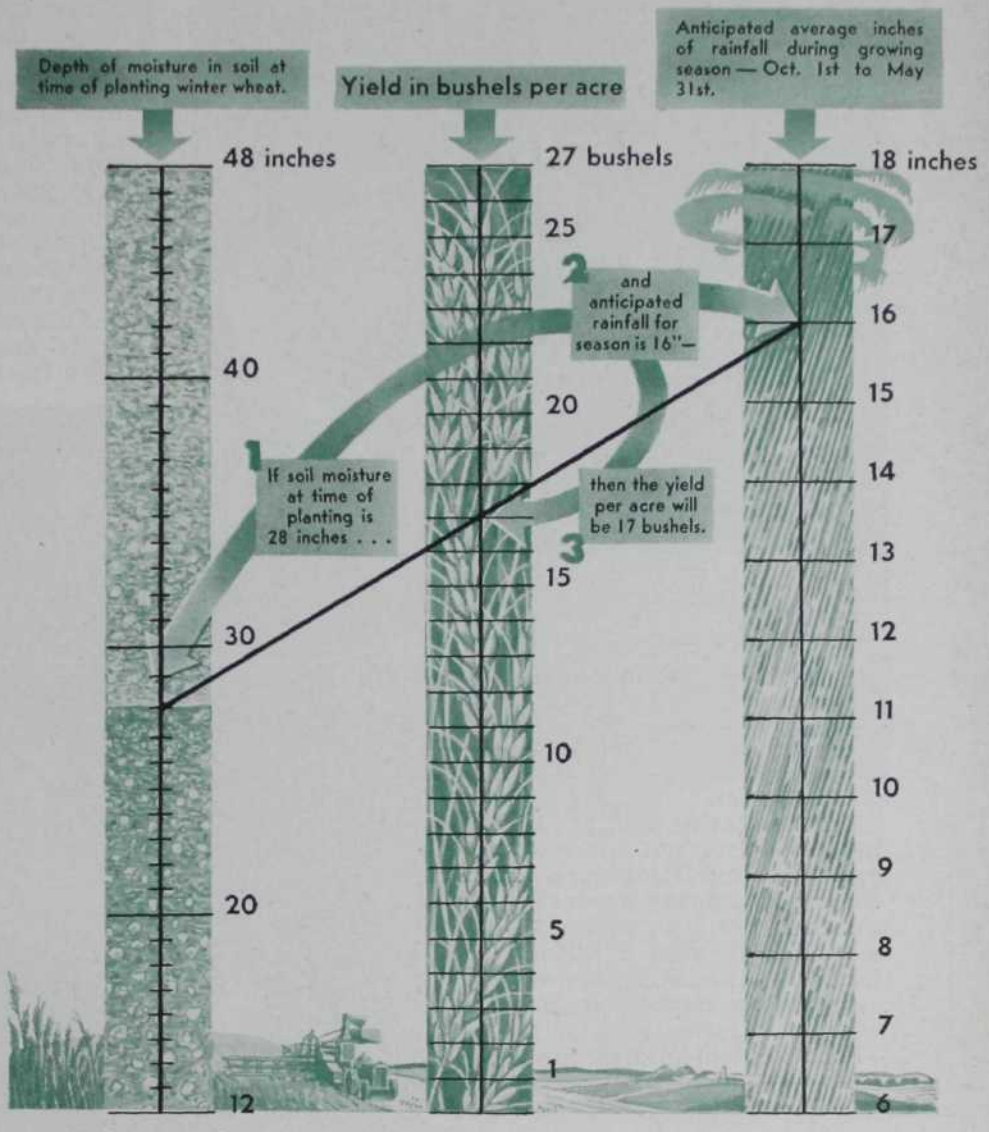
Results make this firm's dehydrated spuds one of the more recent success stories of the Pacific Northwest.

—NORMAN AND AMELIA LOBSENZ

Weather Can Work for You

By LAWRENCE DRAKE

APPLIED meteorology is not a fad. Accepted at its face value, it can do a lot of good for a lot of people



Amount of moisture in soil at planting time plus probable rainfall in growing season determines wheat yield per acre

ABOUT a year ago, the United States Weather Bureau announced a new service called applied climatology, designed to help business and industry solve problems growing out of weather.

To the manufacturer, the service offered help on problems of production, transportation and maintenance—where these problems resulted from weather. To the retailer, it offered help on long-range planning to neutralize or exploit the weather in timing purchases, shipments and advertising.

Announcement of the applied climatology service—or the applied meteorology service, as it is sometimes called—brought a flood of queries to the Weather Bureau. Within eight months, requests for help on weather problems went up from less than 100 a week to a high of 250 a day.

Unfortunately, almost 95 per cent of the requests have had to be written off as "impossible," because those seeking information had acquired wrong notions about applied meteorology. However, in each case where the weather experts did manage to get their teeth into a concrete business problem, results were achieved which more than proved the dollars-and-cents value of applied meteorology.

All this demonstrates the need for a better understanding of what applied meteorology is and what sort of questions the meteorologist is equipped to solve.

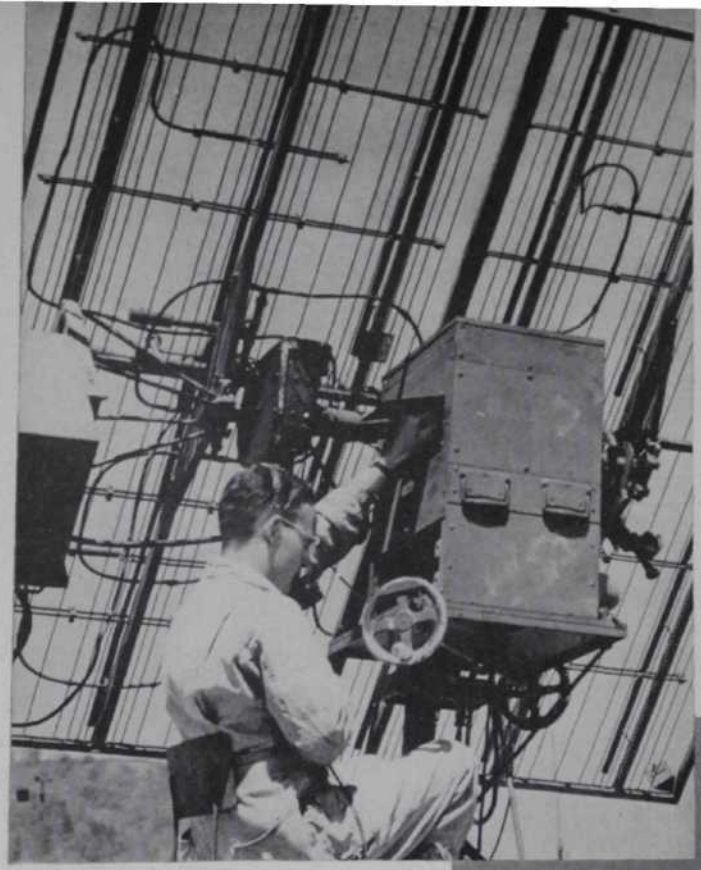
Until quite recently, weather science, and weather men with it, fell into two major divisions:

1. The first group sought a theory of weather. What makes weather? Studies in this field would prove, for instance, that certain relationships of atmosphere, pressure and other phenomena would produce a thunderstorm.

2. The second group were the forecasters. They used their knowledge to predict that a thunderstorm would probably strike a given area at a certain time.

But what, for instance, will the predictable storm do to the power transmission lines in the area? The forecaster can predict the direction and velocity of the wind. That isn't enough. The gauge and positions of the lines must be taken into account, if the answer is to show the company the possible extent of damage it must expect and where to locate the stand-by repair crews. We have a borderline problem, between meteorology and engineering. And that's where the applied meteorologist steps in.

The electric power company will probably also want to know how the period of storm will affect demand for electric power. It must plan in advance to man reserve generators. Special studies must be made to determine how each pattern of cloudiness affects demand for power. Having established that, it becomes necessary to lay out the anticipated storm in terms of the different patterns of cloudiness it may bring on, and the pos-



USAF PHOTO

Radar sees a storm. The applied meteorologist figures out possible damage

sible duration of each pattern. This, again, is work for the applied meteorologist.

Thus, as can be seen, the applied meteorologist is not interested primarily in forecasting the weather. To him, unlike the forecaster, the weather that is in the making is secondary to what it will *do*. His job is not to hand out pure weather information but to supply the working information, no matter what the problem, how the undesirable effects of the weather can be overcome, or avoided, or minimized.

To the applied meteorologist, practically every weather problem is an individual problem, involving a business or industry with its own special objectives and characteristics. To solve the problem, the meteorologist may have to use physics, chemistry, mathematics and statistical analysis, as well as all the devises of weather study.

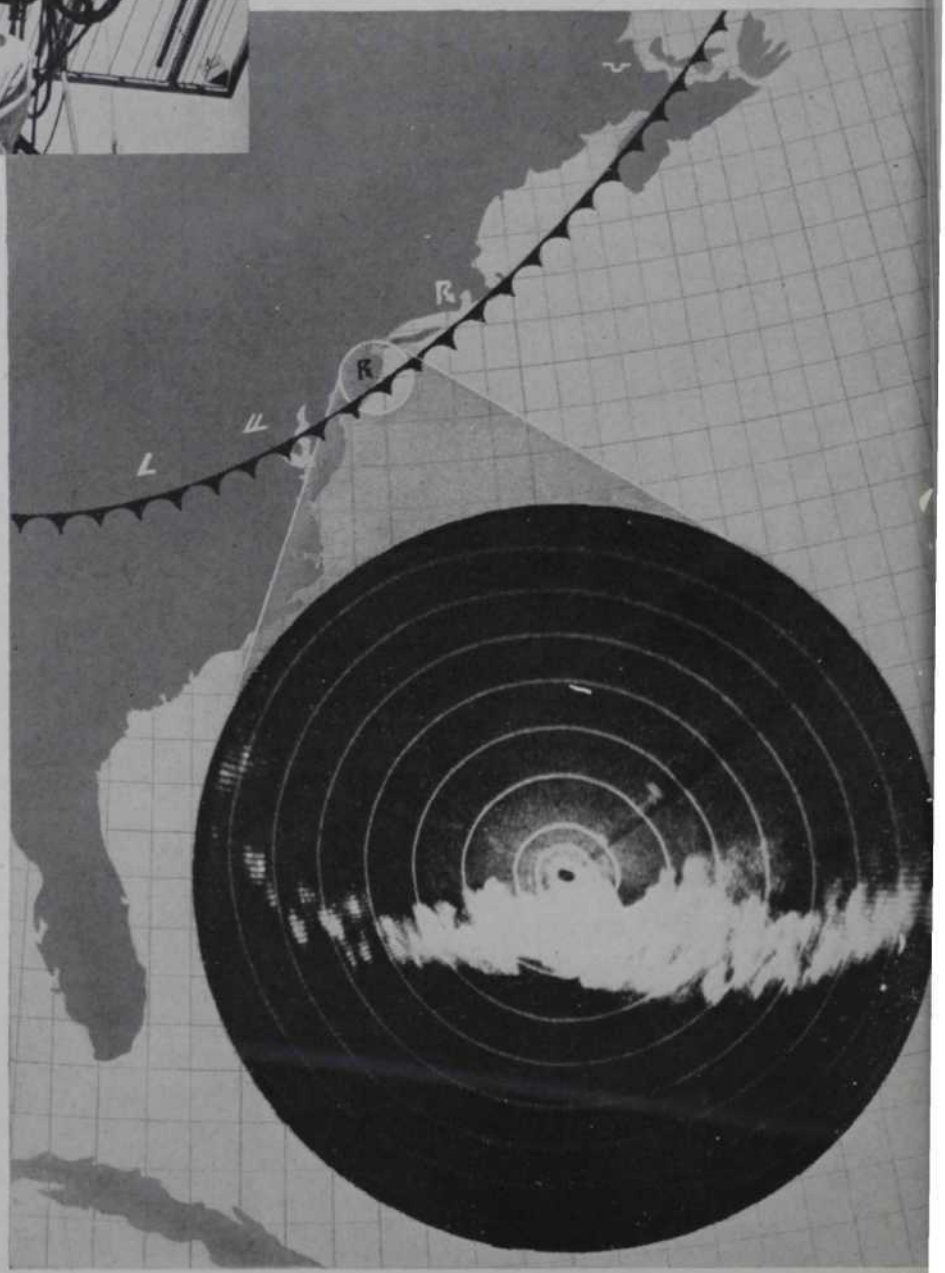
Here is an example of a borderline problem which an applied meteorologist solved:

For years, a canning plant had attempted to coordinate supply with its planned production. It had capacity to process 200 acres of peas a day. Each year it had arranged with the farmers to stagger planting dates, in an effort to give the plant 200 acres of prime peas daily throughout the season. Despite every method tried, however, the plant either got more peas in a day than it could handle—peas stay prime only 24 hours—or else it got no peas at all.

The plant then hired an applied meteorologist. His job was to determine just when the farmers should put their seed into the ground in order to assure a steady flow of peas to the canning plant. But that involved more than a mere 24 clock-hour planting interval. The measure of the interval between the plantings had to be determined in terms of the amount of solar energy required to allow the seed to achieve the desired head start.

Such factors as possible haze and humidity, as well as ground temperature and soil moisture, had to be taken into consideration. Under certain conditions, the staggered plantings had to be made two to five days apart to assure a 24 hour spacing in equivalent growing conditions.

The meteorologist worked out the solution, the farmers were given the proper planting dates and, for the first time in years, the canning plant



found its production rolling at the hoped-for pace.

Then there is the case of an advertising agency handling the account of a large insecticide manufacturer. The agency saw that it would do a better job for its client if it could find a way to time the advertising more pointedly as regards the life-cycles of the pests.

Many people spray too early or too late. That does no good. The insecticide is then often blamed for the bad results. Most people, it was discovered, do not buy insecticide, regardless of the amount of advertising, until they actually catch sight of the pests. The advertising agency thus saw many advantages in conserving advertising during the period when it did little good, and of concentrating it, with a timed warning, during the period when it promised to be most effective.

Results of weather

INSECT life is the business of the entomologist. But the advertising agency turned to a meteorologist. The reason is that the life-cycles of the pests are closely related to the weather pattern of the season. Once the fundamentals of these relationships are established, it is the meteorologist who has the key knowledge and equipment to forecast the probable time when the insects will appear.

Such timed advertising has to be broken down according to the regional weather patterns and the different insect problems present in each region.

Such advertising has to be planned long in advance. We have, therefore, an example of long-range forecasting. We can see, however, that the forecasting is not going to be done in pure weather terms, but in operational terms. What the advertising agency executives want is not a lot of technical weather information, but the simple operational answers—when, where and what?

The chart (winter wheat in Western Kansas on page 65) offers an unusual example of what is meant by forecasting in operational terms. Here the borderline problem involves three different fields: 1, Growing wheat, which is the business of the farmer, 2, Studies of ground moisture, which is hydrology, a branch of physical geography, and 3, Rain, a meteorological problem.

By putting the three to work on the same research problem unusual results were achieved. Soil moisture and rain were discovered to be the key factors in determin-

They're sold on your brand

-but they may never buy it...





People, generally, won't run themselves ragged in order to buy something they've seen advertised. They like things that are easy to locate. So, unless prospects know where to buy your product, you stand to lose business.

The 'yellow pages' of telephone directories give the "where to buy it" information that's wanted . . . information about *your* products, if you use Trade Mark Service. That means displaying your brand name and trade-mark in the 'yellow pages' under the business classification where prospects are most likely to look . . . over the listings of your local outlets.

It's a service that turns prospects into customers.

For further information, call your local telephone business office.

BELL SYSTEM



EVERY ONCE in a while problems come up that get in my hair . . . problems I can't solve by myself—like traffic congestion and parking in the downtown area, store closing hours and seasonal decorations.

Long ago I learned that other merchants shared my problems and that the chamber of commerce in our community was prepared to help us do something about them. And it has.

Not only has the chamber helped us solve our business problems, but it has made our town a better place to live in—with better schools, more efficient local government and more opportunity for wholesome recreation.

I KNOW now that no matter how good my local chamber officials are, they can't do their most effective work without my help.

They can help you, too, if you'll help them. So ask what you can do. Then if you want to dig deeper into the possibilities of chamber work, read, "Local Chambers, Their Origin and Purpose." Write for a free copy.

Chamber of Commerce of the United States of America

WASHINGTON 6 • DC

ing the yield of winter wheat. As the chart shows, the measure of the soil moisture at the time of planting, plus the estimate of the probable rainfall for the growing season, will provide an accurate forecast of the wheat yield per acre that can be expected.

In 1946, because of the unseasonably warm fall, a chain clothing system got stuck with nearly $1,000,000 worth of men's fall suits. Like other retailers, the firm had had a long and trying experience with the problem of the weather.

For a number of years it tried to cope with the problem by using a type of long-range forecast. The forecasts were not in operational terms. In most cases, a simplified long-range forecast—the sort that would make sense to a layman—has about as much technical value as a condensed newspaper story on nuclear physics.

Arranging winter stocks

AFTER drawing the million-dollar lemon, the chain clothing system put its problem in the hands of an applied meteorologist. The meteorologist sought a way to anticipate an unseasonably warm fall.

He started by concentrating on one city. The city's weather records went back some 80 years. He studied this record for a sign of some sort of a *persistency*. He found, and a statistician verified the fact, that if the temperatures during the first two weeks in September were a specific number of degrees above the run of average temperatures for that period, then the odds were 7.8 to 2.2 that October, November and most of December would have abnormally high temperatures.

The chain system was sufficiently impressed, however, to request a similar study in each of the cities where it did business.

Similar studies can be made to show the probabilities of rain or snow, of floods and drouths. What is important is that the studies always be done, not in general weather terms, but in specific operational terms.

The type of study made for the chain clothing system is long-range analysis based on the climatological record. It is not a forecast, but an analysis of probabilities. If a 50 year weather record of one city, or one area, shows that it rained only five times on July 8, then the odds are 9 to 1 against it raining on July 8 next. This has proved to be accurate from 85 to 90 per cent of the time.

If the same climatic record shows it rained four out of five

They're making Mayonnaise in a bullet factory now

Yes—and cane-bottom chairs in ordnance plants, farm implements in tank arsenals



YOU MAY EASILY ADAPT AVAILABLE SURPLUS PROPERTIES TO YOUR NEEDS

Hundreds of industrial executives and proprietors of smaller businesses have already solved their plant relocation or expansion problems by purchase or lease of Government-owned properties.

There still are hundreds more of good, usable, strategically-located properties available for you to bid on now. Small-town plants in the South, big-city establishments in the Midwest, land and buildings on Atlantic, Pacific and Gulf coasts.

You can forget what these plants were originally designed and built to produce, in most cases. They can be readily and economically adapted to almost any kind of general manufacturing—usually with minimum structural changes.

Send for your copy of the new Plantfinder. Consider the advantages of the many properties it lists and describes. Then phone, wire or write our nearest Field Office for further information—or for an appointment to inspect facilities that may meet your requirements.



NEW PLANTFINDER—FREE . . . Describes immediately available properties—indexed, cross-indexed for your convenience. Write for free copy—to the address listed below, on your company letterhead, please.

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times on July 8, and it had had the same average for June 25, and that a characteristic weather pattern had prevailed between the two dates, then we have what is called a *persistency*. Observations of the weather on June 25 will give us another key as to the probable weather we can expect on July 8.

The Weather Bureau reports that retailers are showing much interest in studies of probabilities and persistencies in the climatological record. One fact must be emphasized. Generalized climatological studies are of little value. Each study must be geared to the specific and analyzed operational weather terms of one problem. A study aimed to determine the probable curve of demand for rubber goods during the winter months will offer no key—although it may cover the same area—to the probable demand for overcoats.

Planning by rainfall

MANUFACTURERS also are using the climatological method to put various operations on a planned basis. The country's largest manufacturer of cotton seed products buys annually about one half of the cotton seed crop. But, because of a weather problem, the company has been unable to put its purchasing program on a systematic basis.

A certain amount of rain at a time when the cotton seed has not completely matured results in its having an excessive moisture content when stored. This high moisture content can bring on mold. It can also cause the seed to sprout while being shipped or while it is in storage. Open-air storage creates a similar problem as regards mold and sprouting.

The company has six weeks in which to do its purchasing throughout the cotton belt. But it has had no way of knowing where to begin its purchasing operation or what areas to cross off its list in advance.

The company asked a meteorologist to put its purchasing activities during the six-week period on an economical and systematic footing.

The meteorologist first had to ascertain the minimum amount of rainfall and the time of such rainfall in each of the purchasing areas in which the manufacturer operated. This information would determine the desirability of the particular crop.

The climatological records for the area around each purchasing point also were analyzed. On the basis of the probability of rain during the critical period, these points were given classifications of maximum, middle and minimum risk.

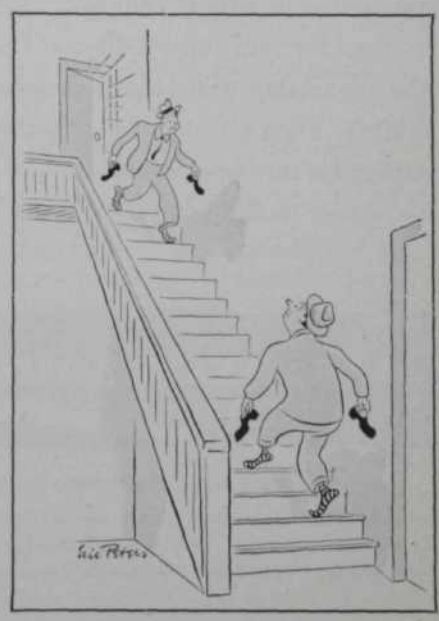
With that, the many dozens of points fell into a small number of major geographic groupings, each identified by the degree of rain risk involved.

Now the meteorologist applied the "alternate target" technique developed during the war. For reasons too technical to consider here, weather will often cut a small area in half. When it rains on one side of the dividing line, it will not—from 3 to 9 times in 10—rain on the other side, and vice versa. When one has a large geographic area to play with, it is relatively easy to lay out alternate areas with a high degree of assurance that, should it rain in one, it will not rain in the other. With this technique the operational areas were divided into alternate areas.

During the last month of the growing season, the period when rain is the critical factor, the meteorologist, on the basis of weather reports, can cross off those areas where the cotton seed most likely has been spoiled.

Should it appear that the damage resulting from the rain may be considerable, the company is left in a position to hedge against a short supply and consequent high prices, by covering any desired portion of its requirements through advance purchases in the alternate areas.

At any rate, once the company is ready to begin its purchasing, the meteorologist's analysis will show at what specific points to concentrate to get the best cotton seed buy. The meteorologist's work also will show what areas are risk areas during the six-week buying period, as well as those areas best suited for the storing of the seed.





FRANK MARTIN

Telephones and teletypes are about all Ted Sunshine needs to carry on a nationwide business

Paul Bunyan Was a Piker

By KEITH MONROE

BY HIS quick decisions, the produce dealer affects America's meals—and wins or loses a startling sum in a few hours

"MINNEAPOLIS calling," the clerk at the teletype shouted to Ted Sunshine. He hustled across the room.

THIS GRAYSON BROKERAGE CO FRED TALKING AND BURT LOOKING OVER MY SHOULDER, the machine was writing.

"This Ted," dictated Sunshine. "Why Burt looking? When did he learn to read?" The clerk hammered out his words on the keyboard.

QUOTE QUICK WHAT AVAILABLE ROLLING GRAPES HEAVY COLORED AND GRAPEFRUIT LARGE SIZES WAITING, said the machine.

Sunshine hopped back to his desk, snatched a fistful of cards, and rushed back to the teletype.

"Grapes: Have beautiful car shipped Friday, Orchid brand from Reedley," he began, but Minneapolis broke in:

TOO FAR OUT WHATS AT KC OR OMAHA WHY DON'T U HAVE GRAPES HERE IN TOWN INSTEAD OF ROLLING WE NEED A CAR OUT THE 16TH NEAR HERE FOR TOMORROWS BUSINESS.

"Sorry nothing available on 16th. Closest car we have is one shipped 19th from Delano."

WELL WE MIGHT BE ABLE SELL THIS BUT THEY ALL NEED GRAPES FOR IN THE AM EVERYBODY CLEANED UP TODAY WHATS DOPE ON GRAPEFRUIT FOR LATER THIS MONTH.

"Trying contact packing house right now. They working on big export order for Norway. Might be able accumulate car with not over 25 per cent 100s balance larger, though grapefruit running heavy 80-100-126s."

OK WILL LET U KNOW THIS AFTERNOON.

"Swell. Incidentally, boys, the tomato market seems better all over the Midwest. Frankly your trade should play the tomato deal f.o.b. and catch the bulge in the market because of impending rains and cold weather."

WILL TAKE UP WITH JOBBERS CALL U BACK.

Ted scrambled to his desk at the other side of the cluttered little room. "What a life," he said. "The grape market is sick for four months—and now when somebody begs for grapes, there's no car close enough."

Glenn Florance, his assistant, was thumbing through a stack of teletype messages which had already arrived, although it was only 7:30 a.m. "Here's another nibble," he said. "From Scotty Timmel."

WE ARE INTERESTED IN CAR TOKAYS ROLLING SEVERAL DAYS

YOU SAY YOU WANT BUSINESS WHATS YOUR OFFER.

Sunshine whirled and ordered his teletypist, "Get me Timmel Brothers in Atlanta."

For the four months of last fall's grape season, prices averaged about half of what they did in 1946. Of all grapes bought at shipping point in California, 85 per cent returned the buyer a loss. So it wasn't surprising that Sunshine followed up fast when he got a query.

NOW TREAT TIMMEL BROTHERS RIGHT the machine yammered as soon as Atlanta came on. YOU KNOW WE LOST PLENTY ON THE LAST CAR YOU SOLD US.

"Scotty, I can't figure how you lost money." Sunshine roared in his typist's ear. "Matter of fact, our grower raising heck we sold too cheap. Tell you what I'll do. I'll give you a bargain. We sold Tokays on the 17th at $3, yesterday at $2.95. Today we have orders at $2.85 for four cars. I have a beautiful car, Eagle brand, out the 17th, and another out yesterday. I'll give you the 17th car at $2.90 or the 18th car at $2.80."

TED U OUGHT TO KNOW WE TOO HAVE THE MARKET AT OUR FINGER TIPS. SANFREDI JUST ASKED 2.50. WE HAVE ONE OF HIS CARS HERE TODAY SIMPLY BEAUTIFUL HEAVY PACK AND HI COLOR WE WANT TO GIVE U AN ORDER BUT DONT EXPECT TO PAY MORE THAN MARKET U KNOW WE PAY CASH.

"Scotty, I don't want you to pay more than the market. Give us your order for today. We'll invoice you $2.50 or $2.40 if that's what the regular deal winds up tonight. However, don't expect to buy a car that arrives today at the price of a car arriving a week from now."

SAY DONT GIVE ME THE BUSINESS WILL YOU GIVE US THIS CAR OUT 17TH AT 2.40? LETS HAVE CAR NUMBER WILL AIRMAIL U CHECK GO ALONG WITH SCOTTY U WONT BE SORRY.

"Maybe not, but that went out on $3 market. I can't undersell competition 60 cents."

WELL IF THATS WAY U WANT IT WILL WAIT. KNOW WILL BUY FOR LESS. I AM NOT MAD BUT WONT PLACE ORDER.

"Okay. Let us know if you want a shipment later."

WILL GIVE U ADDITIONAL 10 CENTS FOR THIS CAR OUT 17TH LETS DO BUSINESS.

"I want to help you, Scotty. Nobody else could buy this car under $2.75, to $2.85. I'll give it to you at $2.70. How shall I route it?"

IS THIS CAR OUTSTANDING HIGH COLOR JUST TO TRADE WITH U GO TO 2.60 AND INSIST THAT U CONFIRM OTHERWISE U WILL BE SORRY GO AHEAD AND CONFIRM.

"Scotty, this is your last chance. If you want the car at $2.70 glad to give it to you right now. Shall I route it via St. Louis or Nickel Plate?"

FIX THE ROUTING FOR NICKEL PLATE BUT TED PLEASE DONT BILL THAT DIME IF U NEED TEN CENTS I GIVE IT TO U ANY TIME U THOUGHT I WAS JUST FOOLING ON THAT LOSS IN OUR LAST DEAL IM GOING TO SEND U THE PAPERS TO SHOW U I WASNT KIDDING I DONT KICK FOR NOTHING NOW DO WHAT I SAY U WONT BE SORRY.

"Look, this car went out on a $3.00 market. I stretched point in your favor. Now, will you need celery? Can give you car out 19th."

CONFIRM TOKAYS AT 2.70. U WIN U LUCKY DOG NO CELERY TODAY BYE.

Meanwhile Glenn Florance was shooting rapid-fire dictation, full of price quotations and code words, at two stenographers in relays. Sunshine, in the midst of his furious argument with Scotty, was keeping an eye on the other teletype as it clacked out messages. He dashed to a long-distance telephone when one of his grower-clients in Oregon came on the wire, agreed to lend the packer $80,000 to expand his pear shipments.

T. R. Sunshine is a burly and genial young man who began as a stenographer for a peach trader. In 1936 he borrowed $3,300 to start his own business in the produce district of Los Angeles. Last year the business reported a net income in high five figures. He sells fruit and vegetables for 34 packer-shippers from all over the Far West. He scarcely laid eyes on a carload of fruit last year—but he sold 5,000 cars worth $8,000,000.

He and Florance are typical of many men who thrash about in small produce sales offices from around sunrise until mid-morning each day, with teletypes and telephones all around them. They are packers, shippers, distributors and commission agents who deal in fruit



USDA PHOTOGRAPH BY KNELL

A car may be loaded with perishables and sent rolling eastward until a buyer is found or until it hits the end of the line

and vegetables. In those few hours they win or lose startling sums, and make decisions which affect meals eaten on the dinner tables of America. A large or small supply of a certain food in some faraway town, a choice offered on a restaurant menu, the price of produce in a thousand grocery stores—all are influenced by their teletyped "confirm" or "keep rolling" or "divert."

Big gains or losses

THE transcontinental hawking of fruits and vegetables is one of the most exciting operations in the financial world. A man may triple his wealth in one week, and lose all his gains the next. One operator showed a bank balance of $75,000 last May, yet was broke on June 4.

Joseph di Giorgio of Arvin started with a pushcart and now is estimated by bankers to be worth $50,000,000. Tom Peppers of Redlands once staked his whole bankroll on 400 carloads of peaches; most of them sold for freight charges and lost him $360,000. Celery paid Fred Rush $250,000 in six years. Hobbs & Withers, a well-known firm, spent a small fortune to perfect a frostproof winter tomato, only to see it develop a latent bacteriosis several years ago; a carload leaving the Imperial Valley in beautiful condition was mush when it reached St. Louis. Hobbs & Withers wrote off a $100,000 loss on the crop, though with better luck they might have raked in a $250,000 profit.

These traders are imbued with the psychology of Paul Bunyan—think it big, do it big! Once when a national produce convention was held, the Los Angeles hosts ripped up the pavements in front of their offices, and barbecued whole steers in a party that lasted three days and nights. Some produce men hand their clerks $1,000 bills like free cigars, at the close of a good season.

Bonuses have been scarcer the past two years, however. The produce market has been sinking ever since the 1946 stockmarket drop. Last July, Arvin grapes dropped $2.50 a lug in ten days. Santa Rosa plums, which cost operators a $5,000,000 loss in 1946, sold $1.75 lower per crate in 1947. Two unseasonable frosts cost some 50 packers who owned Emperor grapes on the vines $1,250,000 when the crops were ruined. Ranchers who had grown the grapes made a neat profit.

Fortunately for the economic system, produce dealers stabilize the market for the rest of us—not only for the growers but for the



skylines... by Otis

In Memphis, for example, 510 Otis elevators have helped create one of America's great skylines. Among the city's finest are the newly modernized elevators in the famed Peabody Hotel (*left*).

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housewives. Prices in grocery stores would oscillate wildly from day to day, and whole regions would lack certain foods for weeks at a time, while small growers hunted desperately for markets, if the venturesome operators did not equalize demand and supply by dispatching produce where it is needed most.

Every produce operator does business differently. Some are packers who buy crops outright from growers and take a chance on reselling at a profit. Others are commission salesmen who undertake to market such of their farmer clients' produce as they can, on commissions ranging from 7 to 12 per cent, or on a fixed fee of around $60 a carload. Many are grower-shippers who own farmlands and orchards and do their own marketing. A few live on their lands; others buy and sell immense fields as a philatelist deals in postage stamps. Some distribute all varieties of produce, but most are strictly tomato men, peach men or specialists in some other food.

Many work in hotel rooms, shifting from town to town as the seasons change. Basically, however, they all do the same thing: sell produce to wholesalers who resell it to groceries and restaurants. In payment for this obviously essential function, they get between one and four cents of the dollar you pay for produce at your grocery.

Selling cars en route

A PRODUCE operator's typical transaction begins as he sends a carload of fruit eastward. If not loaded on an order, it will keep rolling until he finds a buyer along the route, or until it hits the end of the line where he may have to sell at a sacrificial price or even abandon it. If the fruit is in demand that week, he may get bids from a score of cities. If so, he grabs the top price and wires the railroad to divert the car to the buyer's city. Conversely, demand may be weak —in which case he keeps knocking down the price, calling one city after another. On a busy day he has dozens of cars of perishable food moving away from him with no buyers in sight. He dickers simultaneously for each, rapidly upping or lowering prices, diverting cars this way or that, according to fast-changing data which pours into his office.

For a small diversion charge, about $4.70 a car, the shipper can divert his car from the main rail line to any side route, so long as the car is not sent backward toward its source. Once east of the Rockies, his cars travel at a blanket rate regardless of distance. So, paradoxically, the price may go down as the fruit goes farther from its source, because it is approaching the Atlantic Seaboard where it may be dumped if unsold.

Weather a vital factor

AN operator must watch weather maps closely. Rain is forecast in Lodi; if it hits, he'll get no more good grapes from there this season. Chicago predicts a heat wave; that means people will rush for lemons to make lemonade, and his lemons may sell for $16 a box (instead of the $2.50 a box they may bring him if there's temperate weather). Last October the price of California tomatoes shot up $1,000 a car in ten days because of the combination of a hurricane in Florida, unusually hot weather in California, and frost in western New York.

The trader's bank balance often sinks with the thermometer. Let a frost set in while grapes are ripe for picking, and he can still save the crop by pumping water through irrigation ditches if the temperature stops falling at 30 degrees; if it sinks to 26 he has wasted his water bill and lost his crop. On the other hand, Sunshine faced a ruinous loss of $157,000 through a clerical error last December when an employe booked a shipment of Oregon pears to Liverpool without specifying refrigerated space. After the pears were at sea Sunshine learned they had been shipped ordinary stowage which presumably meant they would spoil. However, one of the bitterest storms in North Atlantic history kept the ship so cold that the pears arrived in perfect condition.

The operator must keep tab on farm labor conditions; a strike, or a shortage of pickers, may mean a harvest left to rot and a scarcity on the other side of the continent.

Otis McAllister Company once took a $300,000 loss on a boatload of bananas in Los Angeles harbor; longshoremen refused to unload them because of a strike, which was not settled until the bananas were garbage.

Likewise, a fruit trader must know the daily totals of shipments everywhere; his profits depend on avoiding localities where there is too much food, and diverting cars to cities feeling a shortage. He must be alert for every chance to grab shipping space; the railroads have been short of cars this year, and cold storage space in cargo vessels is desperately hard to find. He must watch world-wide crop prospects. The big apple crop in Belgium means trouble ahead for Washington growers; new plantings of citrus in Texas and Florida (which have doubled their output in ten years while California stood almost still) are a threat to California ranches.

The moods of Mrs. America are another formidable hazard to produce traders. Frequently some perverse whim sweeps through most of the feminine population. In 1937, everyone stopped buying grapes simultaneously. In 1918, housewives determinedly bought potatoes in spite of skyrocketing prices.

In 1945, some mad quirk held the price of top-grade tomatoes in certain areas to five cents a pound while women willingly paid 20 cents a pound for second-grade ones in the same areas.

Vagaries of prices

ANOTHER telepathic tide scrambled the orange market last year. A box of oranges weighs about 75 pounds regardless of the size of the oranges, yet women insisted on large oranges so stubbornly that a box of big oranges wholesaled for $5 more than a box of small ones. Then someone discovered that by putting small oranges in a mesh bag, he could sell them for as much as $1.50 more per box. Now packers everywhere are stampeding to get their small oranges into mesh bags. The women's mysterious whim nets a packer 70 cents more per box for the same oranges after he has paid to put them in bags.

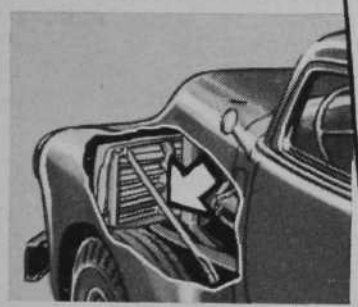
Male buyers are sometimes just as fickle. Each year there is a brisk retail demand from all over the country for varieties of grapes which make poor eating but good wine. However, no one quite understands why, in some years, individuals all stop buying wine grapes at once. In 1937 shippers were selling wine grapes at $1,500 to $2,000 a car, when suddenly the demand vanished.

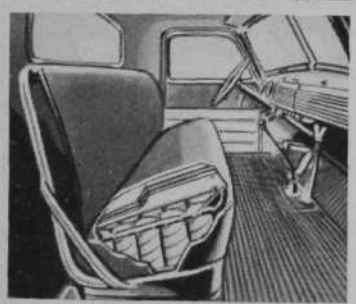
Millions of dollars change hands on oral agreements only in this business. Bargaining goes on at such breathless speed that there is no time to wait for contracts or payments to travel through the mails. The business couldn't exist if buyers and sellers didn't trust each other. Consequently, it's a notably clean business. This may be one reason why these fabulous fruit merchants can laugh even when they go broke, as they frequently do. They know they've never cheated a customer—and can always find a few customers willing to lend a few thousand to help them start all over again.

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Advice to the Next President

(Continued from page 35)

what to do if the pressure should suddenly be converted into a vacuum. That, too, could upset our balance with appalling results, and it is not impossible.

Regardless of Russia, there is another problem which politicians prefer to keep lurking in the background, but which may thrust itself to the front during the next Administration. It may be summed up under the title of how to do business with socialists. This is a problem of foreign policy that may have so powerful an effect on domestic affairs as to modify sharply a large part of our domestic program.

All the really profitable customers of this country are now socialized to some extent, most of them to a large extent. Canada is the most conservative, but even Canada is distinctly further to the left in its economic policy than we are. If we are going to do business in a big way, we must do it with socialists because no other markets are available.

It must be remembered that the United States is highly industrialized, which means that we must do the bulk of our trading with other industrialized countries. We make typewriters, adding machines, locomotives, automobiles, optical instruments and precision tools. Therefore our really profitable trade is not with primitive tribes. You can't sell a typewriter to a head-hunter, and Chinese coolies' wives don't wade through rice paddies in nylon stockings.

Trade in government hands

OUR trade, even before the war, was with the most highly industrialized nations in the world, Great Britain, Germany, France and Japan, with the Scandinavian countries ranking high in proportion to their population. But they are now socialized, and their foreign trade is strictly a government function. It is likely to remain so for a long time to come.

Some people are arguing that we should use our superior economic position to stop, or at least to hamper, further socialization in these countries. But that is, to put it mildly, questionable business practice. If we desire this business—and we must have it if we are to keep our own economy in balance, then a policy of being haughty to the customers is not indicated. That's the way to drive away business.

There is no argument here as to the merits of the question. The European governments may be wholly wrong in adopting their socialistic politics, but that isn't the point. The point is that they have done it, leaving us a minority of one among the great nations. Moreover, considering the mess that successive wars have made of international trade relations, it is unlikely that they will abandon these policies for a good many years, and we are dealing with the five years next to come.

For a hard-boiled stand

SOME people argue that the way to solidify our position during these years is to be hard-boiled. We alone have the goods. They must buy from us or go without. Now is the time, therefore, to make our influence felt in stopping the trend toward socialization.

Others maintain that the worst possible business policy is to put the squeeze on a customer when you catch him in a tight place, unless your object is to put him out of business altogether; because, if he survives, he will be after your scalp from then on. We don't want to put these people out of business—quite the contrary. Therefore, now is the time to go easy. They have to come to us whether they like it or not, so the thing for us to do is to treat them so fairly that later they will come back voluntarily.

The next Administration is going to have to answer this question one way or the other, assuming that there is no shooting war, and the decision may be one of the most difficult imaginable. For the implications are extremely broad, no matter which way the decision goes.

If the hard-boiled attitude is taken, then a hard-boiled reaction is to be expected. If we put on the squeeze, Europe will make every effort to escape from it. She cannot escape altogether nor immediately, because we have the goods and nobody else has; but she will make every effort to find other markets as rapidly as possible.

It is likely that her earliest success will come in the field of food supply. Russia may be counted on to help, if only to embarrass us, and one really good harvest would come close to making Europe fairly independent of the American market. This would mean a sudden and enormous complication of our farm problem which has been for a long time one of Washington's most persistent headaches.

There would be repercussions in other fields, their importance depending on the success of Europe's efforts to discover or establish other sources of the goods she needs. Some of these efforts probably would succeed, with the result that some American industries would be hit, with resultant bankruptcies, unemployment and labor troubles. The Administration could count on an ample supply of domestic trouble if it makes its foreign economic policy tough.

Yet, if it chooses the other alternative, it cannot hope to escape entirely, and it is possible that it might end in a situation as bad, or worse. This is the policy of working consistently and through a long period at the economic rehabilitation of Europe, adjusting the terms entirely to Europe's ability to pay.

In theory, this is much the more intelligent policy, but its practical success depends on its skillful application and on the maintenance of good faith by both sides. Obviously, neither of these can be taken for granted, yet either blundering or chiseling by us or by Europe would precipitate a storm of opposition against the Administration.

Ordinary trade is wrecked

BUT that is not the whole of it nor, from Washington's standpoint, the worst of it. Skillful application of a policy of economic rehabilitation in Europe will involve a constant process of education of the American people. The war has left things in such a mess that the ordinary processes of trade, which everyone understands, must be largely abandoned, or even reversed.

The law of supply and demand doesn't work in a situation that consists of all demand and no supply, or fantastically inadequate supply. Yet millions of Americans are convinced that the law of supply and demand is as universal as the law of gravitation. If they see their own Government ignoring it, great powers of persuasion will be needed to allay their suspicion that the Government has succumbed to some "foreign ism."

Indeed, the successful adjustment of one capitalism to 50-odd

socialisms, varying in radicalism from the British Labor Party to the Soviets, is bound to produce countless points of friction in domestic as well as in foreign affairs. It may be the domestic frictions that will give the next President the more serious trouble.

Old problems still with us

IF THIS seems to ignore the usual swarm of problems that have harassed every President for 40-odd years—labor relations, tariff adjustments, the currency, national defense, public works—it is only because these are implied in the over-all problem of fitting our economy into a smooth relationship with that of the rest of the world. All the old problems will arise in full force; but they will all be dependent on and modified by the course we decide to take in foreign affairs. That course will depend on factors some of which may not show in the picture at all at this time and none of which can be measured with accuracy at present.

Yet this does not necessarily mean that the voter is condemned to a state of hopeless befuddlement in which he must vote blindly and trust to luck or to Providence. It means only that he had better make up his mind by examining the candidate, rather than the program. As a matter of fact, he is best at that, anyhow. All the political history of the United States goes to show that the people's judgment of measures is unreliable, but that their judgment of men is uncannily accurate.

Our two worst Presidents were probably Grant and Harding. Both were elected in campaigns based on ideologies, in which the personalities of the candidates were almost lost to view. The fight over whether Reconstruction in the South should be radical or conservative dominated the campaign in which Grant was first elected. The battle over the League of Nations dominated the campaign that produced Harding.

Incidentally, many historians believe that the people really favored Lincoln's plan in 1868 and Wilson's plan in 1920 and, in their confusion over measures, voted against their own wishes. Be that as it may, there is little doubt that the voters are better judges of men than of measures.

If they will apply that judgment in 1948, they will pay small attention to slogans and catchwords and less to party labels. They will search for a man of honest purpose and of alert and supple mind. Whether he calls himself a Democrat or a Republican means little considering that Henry A. Wallace and Theodore G. Bilbo both were termed Democrats and Wendell Willkie and Hamilton Fish both were called Republicans. Whether he is classified as a liberal or a conservative may mean more, but perhaps not as much as people generally believe, since the man in the White House deals with facts, not theories, and facts have a way of running roughshod over a man's preconceived opinions.

The worst possible choice would be a man whose mentality is stiff in the joints, because the only thing certain now is our own uncertainty of the quarter in which the next serious menace will arise.

It may be war, but we don't know that it will be. It may be a steady increase in Russian power, but it might be Russia's sudden collapse.

The first qualification of a President is, of course, integrity, intellectual as well as financial. That is always true. But the second qualification in the year 1948 is not a hard-and-fast commitment to any specific program, but a mental ability akin to a football player's physical ability to throw his weight instantly in any direction.

People can make up their minds about this with some assurance. It is hard for the man in the street to decide that Mr. X is right or wrong in contending that the Import-Export Bank should be given greater—or less—power to determine the rate of exchange at which Italian lire shall be accepted. But he usually has a pretty shrewd idea as to whether or not X is fundamentally honest, and as to whether or not he can think and think fast.

If the voter's judgment is affirmative on both counts, then X is an eligible candidate. If not, X is not eligible and all the power of the Democratic and Republican parties combined can't make him so. Above all in this critical year we must have a President capable of coping successfully with the unexpected; for it is the unexpected that he will assuredly meet.

As Congress Faces Bills and Ballots

(Continued from page 41)

size of the legislative budget. Thanks to improved party discipline and better liaison between Senate and House G.O.P. leaders, the two houses should be able to settle on a dollar ceiling to their appropriations. You can be sure that the compromise figure will undercut the President's budget.

Military: As long as storm clouds threaten on the international horizon, you need not expect substantial cuts in military appropriations. The armed services merger may begin to pay off in cents but not in dollars.

Universal military training will command wider support but probably not enough to get action this session. Who's going to take sons away from doting and *voting* mothers on the eve of an election? Certainly not Congress, unless an emergency arises.

Business: Business men will continue to get a sympathetic reception. But politics, as well as vetoes, will prevent their getting everything they want.

Congress will be reluctant to impose effective inflation controls unless, of course, runaway prices keep running. As a key senator rhymed to me privately:

"We will explore and deplore—only that and nothing more."

The President's anti-inflation program will never reach the statute books, except perhaps in a watered-down form that will produce no more than a slight braking effect on our economy.

Despite rising pressure for controls, Congress will adhere to the theory that "things will arrange themselves"—that the free operation of unfettered enterprise will produce correctives of its own.

Rent control extension stands as an exception to the prevailing mood of Congress. Rent control will be continued. The reason is mathematical: More tenants cast votes than landlords.

Aside from price controls, business men actually have few measures to fear on the calendar this year. The so-called antimonopoly bill restricting the right of one corporation to acquire the assets of another has but the remotest chance of passing. The same goes for the bill to make the Commerce Department a central clearinghouse for research and technical development.

Labor: There will be no major revision of the Taft-Hartley law. Republicans are willing to stand on the act as is, in an election test—if

that's how the Democrats want it. As one jingler put it:

"The labor boys will scream and howl,
But all that's left of their bite is the growl."

Agriculture: It would seem to be an ideal time to work out a long-range, rainy-day program for agriculture. But Congress is notoriously reluctant to repair the roof until it begins to pour.

Our best guess is that the present farm program will be extended for another year, and the whole problem will be carried over to the Eighty-first Congress. Here's our reasoning:

Congress is seeking a program of "sustained abundance" *minus* many of the irritating crop controls the New Deal imposed. But so far, no one has suggested how to get away from controls entirely if ruinous surpluses are to be averted. The problem facing Congress is how to incorporate but minimize the control angle—how to dress up the mailed fist in kid gloves without being detected in the subterfuge. Congressmen would prefer not to run the risk of detection just now. They figure the farmer will accept controls more philosophically when hard times come.

Incidentally, don't write off the national soil fertility bill, providing for new government-built fertilizer facilities and expansion of the TVA's test demonstration program. The fertilizer shortage is creating pressure for expansion of fertilizer capacity, in one way or another.

Veterans: Congress has already been liberal with veterans. But it will have to toss them a few more posies to demonstrate its continued devotion. The bill to increase subsistence allowances as a cost-of-living aid to veterans in school looks most likely. Rival veterans organizations will launch drives for a bonus but the real bonus pressure will not come until prosperity wanes.

Natural Resources: The leadership will try to hold the lid on appropriations and authorizations for new public works, but campaign-year pressure, especially for flood control and reclamation, may be irresistible. Already there's talk of appeasing the Far West for last year's reclamation cuts by permitting some public works to start in that area.

Subsidies for marginal mines, killed last session by veto, may be revived, with some prospect of success. The stockpiling of metals for defense will have more appeal at both ends of Pennsylvania Avenue if the foreign situation deteriorates.

The tidelands oil problem is tied in such knots that Congress will have neither time nor patience to legislate on it.

Governmental: The government-employe loyalty bill, which would supplant the Administration's own program for dealing with disloyal workers, stands a good chance of getting through the Senate but in a form more tempered than the House version. It may be vetoed but nonetheless is useful in prodding along the Democratic donkey.

The National Science Foundation bill, killed by veto last session, may be doctored up to pass presidential muster. It would authorize use of government funds to promote pure research.

Republicans may also push for court review of administrative rulings of certain government bureaus. This is good "antibureaucracy" stuff for campaign pamphlets.

Social Legislation: Republicans are determined to do something on social legislation to round out their 1948 platform. Upping of the minimum wage from the present 40 to 60 or 65 cents an hour seems likely. Incidentally, there's strong business sentiment for eliminating time-and-a-half overtime from the Wage-Hour Act.

The G.O.P. may be expected to make its race record on the anti-poll tax bill, rather than on Fair Employment Practices legislation. For one thing, the poll tax measure is further advanced, having passed the House last year.



It is conceivable that social security coverage may be extended before the session's end. The program has received no more than patchwork attention since its inception.

Public health and aid-to-education bills seem to have too much opposition to get anywhere soon. As for housing legislation, Senator Taft will be lucky if he gets through as much as the slum clearance and local redevelopment sections of the Wagner-Ellender-Taft bill.

Politics: In the realm of pure, unadulterated politics, this session will feature investigations extraordinary, sparkling patronage scraps, name-calling and blame-placing, rabble-rousing and recrimination, all tastefully seasoned with blarney and bunk.

The 1946 Kansas City vote frauds will be paraded up and down the Senate aisle like a Banquo's ghost to haunt Harry Truman.

A couple of Senate election contests—in Maryland and West Virginia—can conceivably result in ousting the Democratic incumbents and seating their 1946 Republican opponents. Republicans now hold but a tenuous 51 to 45 edge in the Senate.

Senate Republicans will become increasingly reluctant to confirm lifetime judges and postmasters. Why should they when they have such good prospects of capturing the White House next year and naming lifetime Republicans? Other nominations, particularly to bipartisan boards and commissions, will be scrutinized.

Over in the House, Democrats will keep heckling Republicans for failure to live up to their original economy promises. They'll keep tab on all deficiencies voted to tide various agencies over to the end of the fiscal year June 30.

Congress will rise to its full incandescence, however, in the matter of investigations. The old Republican promise to open every session with a prayer and close with an investigation will be faithfully executed. Every agency of Government will get the currycomb. And the House Un-American Activities Committee — indeed every House committee—will continue to tar-and-feather Commies. Should some of the tar splatter on the Administration, it will not be purely accidental.

Aside from all this, however, things on Capitol Hill will be very dull.

Those Were the Days—or Were They?

(Continued from page 52)

counts, one checking and one savings.

Why not? My room cost me $1.75 a week. I did not have a private bath, but I have never had to stand in a bathroom line any time I have paid for a room—only when visiting friends. Meals cost from a minimum of ten cents to a maximum of 75. I know, because for a few weeks I kept a cash-account—kept it, in fact, until the melancholy entry, "Unaccountable, $.06" indicated that I was not cut out for rigorous financial self-regulation, and I abandoned day-to-day cash-accounting forever. The 75 cent meals seemed to coincide with pay-day, the ten-centers with the day before pay-day.

Shirts were a dollar or less—"name shirts" occasionally a dollar and a half. Shoes were around three dollars, suits ten to 15. Oh, you could pay more, of course, if you wanted to splurge.

Recently, looking over some late 1913 issues of a still unamalgamated *New-York Tribune,* hyphen and all, I noted some eye-catching little advertisements that seemed strangely familiar. Suits valued "low enough to attract young men who believe in paying a modest price for clothes worth while," $20 to $32; overcoats, $28 to $35; "Austrian velour hats that ought to be $8," $4.50. But that was Rogers Peet—far out of my class, and a long way from Springfield. But I had a charge account at the best men's store in Springfield, and the clerks mistered me.

Cocktails of long ago

WHEN I wanted to treat a friend to a before-dinner cocktail, I took him over to the Hotel Highland bar and laid down a quarter. I mean one quarter for two cocktails. Right there is where the shoe of memory pinches hardest.

Of course, the newly adopted Sixteenth Amendment to the Constitution did not affect me. (You don't remember it? You will, brother, come March 15—it gave Congress "power to lay and collect taxes on incomes." It became effective, if you want to celebrate the anniversary, on May 31, 1913.) This legislation was aimed exclusively at the rich—heads of families getting more than $4,000 a year, and bachelors who bettered $3,000.

Those were the days—but that those-were-the-days stuff is treacherous business. In comparing yesterday with today, then with now, the rosy past with the gray present, there are actually not many yardsticks to apply—yardsticks that mean anything. You can't miss something you never dreamed was going to exist.

Today, if my favorite baseball announcer gets himself rained out on a Saturday or Sunday afternoon, I suffer pangs of acute disappointment which I was obviously spared in 1913. In 1913 we traveled extensively, or thought we did (often for the fun of it, and not merely to get from A to B in the quickest possible time), without experiencing the slightest concern over ceiling or visibility. In 1913 we did not know the convenience of the zipper. Or its perils.

We cherish uniqueness

THERE is a simple, naive kind of exhibitionism about good-old-dayness that stems, I am sure, from an elemental and universal psychological factor. We all want to be somebody that somebody else isn't; we all want to have seen something or been somewhere that nobody else has seen or been. In 1919, coming home from World War I, I stopped for five days at Oran, Algeria, and for 23 years I managed to insinuate Oran into practically every conversation without once running into any reminiscent competition. The uniqueness of that experience fizzled out on November 7, 1942, when American forces hit the beaches in front of and the airfields behind Oran. Since that time the name of Oran has never passed my lips.

In a day in which several million of our fellow-citizens have seen everything and been everywhere, it is harder than ever for us oldsters to hold our ends up. We can do it by trotting out the only prop we have and they haven't—bygone days. *We* remember Bill Taft, "See America First," Laurette Taylor in "Peg o' My Heart," the birth of the tungsten lamp, *Pollyanna,* the Dayton flood, *really* long skirts, cylindrical phonograph records, 97 cent wheat, Caruso, football players without numbers on their backs, and Halley's comet, which flamed into view in 1910 and then vanished into black space, to return again in 1986. Stick around.

There is nothing new about this throwback stuff. It was pulled on *us.* It has been pulled on the next generation by the preceding generation since generations began. "There were giants in the earth in those days," said the author of Genesis early in his story, and that statement is invariably read out of context, as implying that giants were good things to have around, and it is too bad there aren't any left. Homer fell into the same trap in the *Iliad*—some antique Carnera moves a huge boulder out of the way, all by himself, inspiring Homer to observe:

"Not two strong men the enormous weight could raise,
Such men as live in these degenerate days."

Today we wouldn't use two men—we'd send for a bulldozer, and the size of the operator wouldn't matter. It seems to me I have read somewhere that the American soldier of World War II averaged rather better than an inch taller than his predecessor of World War I.

Presumably no accurate statistics were available for the Trojan War, and Homer unscrupulously took advantage of this fact.

Essentials were available

THE fundamental component of happiness is the lack of nothing which one actually needs—basic security. I cannot, for the life of me, recall any essential, or even any modest non-essential, which I had to do without in 1913. I don't mean that I owned a seagoing yacht or a couple of Titians or a racing stable—it meant nothing to me that Harry Payne Whitney was the year's leading turf winner with $42,860, thanks largely to the prowess of a five-year-old named Whisk Broom II which won the Metropolitan, the Suburban, and the Brooklyn Handicap in a revival of racing in New York State.

Looking over the conveniences which are available to me today, I cannot honestly say that the availability of any one of them in 1913 would have greatly increased my satisfaction with existence. (To go without today's conveniences today, of course, would be another matter.)

I certainly do not think this parallel can be carried back to the historical vanishing point; I don't mean that all old days in indefinite sequence were necessarily good. For my own part, I should not care to retrogress to candles (which fail to charm me on today's dinner tables), bathing in the kitchen,

Glass

brings your shopping center out in the *open*





The commercial center designed with Visual Fronts makes shopping easier, brings more business to each store in the unit.

Glass helps make the modern shopping center outstanding in any district. The many forms of Libbey·Owens·Ford flat glass give your architect wide scope in uniting varied stores in a well-integrated design . . . yet makes each store easy to identify . . . through a Visual Front.

Glass provides the smartness people like . . . yet assures maintenance economy. It can be quickly cleaned, is unaffected by weather, sparkles like new for years. Write for our Visual Fronts book . . . it shows how this principle is applied to all types of stores. Libbey·Owens·Ford Glass Company, 5618 Nicholas Building, Toledo 3, Ohio.

Five Visual Fronts in a row . . . each one distinctive, yet each an integral part of this open-front shopping center.

Close-up of Webb's Photo Supply shows how large glass areas put each store interior on display. Architect: Leslie Nichols, Palo Alto, California.

L·O·F GLASS PRODUCTS for shopping centers

POLISHED PLATE GLASS for large windows to display store interiors.

TUF-FLEX* tempered plate glass for transparent doors that extend the open look.

VITROLITE* colorful glass facing for solid areas on exterior . . . for interior walls.

THERMOPANE* insulating glass to reduce condensation and frost on windows, eliminate drafts.

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VISUAL L O F FRONT

LIBBEY·OWENS·FORD

a Great Name in **GLASS**

outdoor sanitation or unsurfaced roads, any more than I should care to go back to living in trees.

There is one other angle of the good old days that has to be taken into account, and it is probably the most important of all. "Man never is, but always to be blest," wrote Pope, and I should like to amend that to read: "Man never is, but always has been blest."

The "Last Ship"

EVER since I read John Masefield's *Captain Margaret* (which was around 1913) I have been a firm believer in the philosophy of the "last ship." Captain Margaret (he's a man, by the way, Margaret being his surname) is a British merchant skipper. He gets to talking with his new sailing master, Captain Cammock, who used to be a logwood cutter. Captain Cammock doesn't know much about logwood—he knows it has something to do with dyeing, and that a chap named Brown bought all of it that his crowd cut. "But," he adds, "we'd great times along the banks of the lagoon."

Let Masefield continue the story:

"When you say great times," said Margaret, "what do you mean exactly? What was it, in logwood-cutting, which seems great to you? And was it great to you then, or only now, when you look back on it?"

"Did y' ever hear tell of the 'last ship,' sir?" said Cammock.

"What has the last ship got to do with the great times on the lagoon?" asked Margaret.

Old jobs seem better

"JUST this, Captain Margaret. When a growler. A pug, you understand; one of the hands forward there. When a seaman comes aboard a new ship he always blows at the rate of knots about his last. You'll never hear of the ship he's in. No, sir. She's hungry. Or wet. Or her old man's a bad one. But so soon as he leaves her. Oh, my love, what a ship she was, my love. Bacon for breakfast; fires to dry your clothes at; prayers and rum of a Sunday forenoon. Everything. That's what I mean by a last ship. So when I say we'd great times on the lagoon, why, it's only a way of speaking.

"I mean as it seems just beautiful, now it's over."

All right, boys, you boys who are plus 40, throw another logwood on the fire, one of you, and let's drink another toast—a toast to the last ship, and to 1913!

Being Small Has Big Advantages

(Continued from page 49)

ger the flea. Somewhere in the detached distance is the ultimate bite, which is felt when the big-store auditors begin to smell red ink. The small store man rarely wishes to bite himself. So he goes along in his old-fashioned way, doing business the way he has always done until the plaster cracks off the ceiling. McCargo had this fact brought home to him. He had heard of a very lively course on distribution—

Distribution in storekeeper language means something more than salesmanship. It covers all the intricate steps from buying to profit and loss, including the dresses the girls wear and how not to say, "Is there something I can do for you?" but to put the same thought in a better way, and how to wear down customer resistance by offering the customer something he wants—

So McCargo said he would join the class. Everyone made him welcome until he met the young woman who was instructing the class. She said she would not have the merchant on a bet.

"I've had 'em before," she said with some bitterness. "These men who have been running their own stores. They think they know it all and you can't teach 'em anything. Sorry, Mr. McCargo, but it won't do."

He had to talk his way in.

Clearing out old items

ONE leaf he has taken out of the big store book. If he bought the wrong thing he took his licking the day he bought it. It only makes him feel worse to see the thing hanging on the rack day after day. It's no good taking it out on the clerk, either. The big stores know that.

When customers come in with that buying fire in their eyes and the clerks show them the fur-trimmed shimmy the buyer got stuck for after that night in New York, and three of them in succession act as though it were a woods pussy in a pet, the clerks lose heart. Then the only thing to do is to keep on marking down the item until it gets out of the store.

The big stores put up what protection they can against these tragedies. For one thing the buyer is not permitted nowadays to reach for the telephone in the morning and order whatever it was that Jack was talking about just before they said good-by to each other. He must go down to headquarters in person and sign the book with the hour and minute, even if he dies in the hall outside. McCargo gets the same protection in a different way.

He asks his clerks if they like the item.

"It isn't fair to a clerk to ask him to sell something he doesn't like."

Most bankrupt stocks, he observed, are full of odd sizes and queer junk.

"The merchant has been plain lazy. It isn't much trouble to keep an inventory control up-to-date. That shows what is selling and what isn't, and how much of what you have on hand so you can get on the telephone to your supplier and have the stuff rolling your way that same day—if you want it. But if you don't find out what's going on until next Monday morning—Brother, you're sunk."

Watching inventory

G. K. CREIGHTON of the National Retail Drygoods Association once told a story to illustrate this point. It happened some time ago, before inventory control had become a daily routine. Some inventive fur manufacturer made up a few dozen coats and a few buyers bought them, and the store managers said for gosh sakes when they saw them, and the discouraged buyers hung them on dark racks and prepared to take a loss.

Then the customers began buying.

The storekeepers who watched their inventories closely managed to get the few coats that were left in the hands of the discouraged manufacturer. A fur coat isn't made overnight. No maker is ever able to find the skins he wants when he needs them. The few who got coats because they had been told of the womanly madness that was sweeping the racks, cleaned up like placer miners.

McCargo lives up to his conviction that the clerks must be pleased. An agent offered him quantities of very fine, fancy, handsomely patterned textiles at such a bargain that he felt like giving his order offhand. But he stalled until he could show samples to his clerks.

"I like it," he said happily.

"What would we do with it?" asked the clerks.

That was that.

Customers help planning

THE BIG STORES plan ahead. If the little store does not make plans it is just too bad. The small storekeeper has access to the same information the big stores have. Maybe the big stores get it earlier but they take more of a chance. They meet their customers in salons inches deep in carpet and hold style shows and the fashion magazines tell about the new trend and the new thing is tried out in a few key cities and, if the customers get snooty, hundreds of thousands of dollars' worth of silk and satin are marked down to the buttonhole price.

If the small storekeeper buys in the same way, he marks down, too. But if he is a wise man his clerks have talked to their cus-



What About—

The Younger Generation?

Ever hear of Junior Achievement, Inc.? You'll be heartened by this report of how some of the kids are tackling the prospects of adult responsibility.

The Dead New Deal?

How dead is it? Remember TVA? Social Security? Farm Parity Prices? The Home Loan Bank? Federal Housing? The SEC? If they are dead, who are those lively fellows in your business planning?

Foreign Trade Opportunities?

International House in New Orleans believes trade opportunities are tremendous—and cites proof.

Buying From Europe?

Will tariff walls have to come down before the Marshall Plan can operate? Your wall or the other fellow's?

Russia's Trouble Making?

A former ambassador from Yugoslavia says the Soviet cannot be self-contained but will have to do business with Western Europe and the United States.

All these—plus Management's Washington Letter, Trends of Nation's Business and a half dozen other features in Nation's Business for February, on your desk about January 28.

Cramer Posture Chairs in use all over the world.



Cramer Dealers Everywhere. Your inquiries are invited.

Cramer manufactures a chair for every seated worker. Over 60 models plus special designs to fit individual needs.

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DIVIDEND NOTICE

Common Stock Dividend No. 128

The Board of Directors on December 17, 1947 declared a cash dividend for the fourth quarter of the year of 50c per share upon the Company's Common Capital Stock. This dividend will be paid by check on January 15, 1948 to common shareholders of record at the close of business on December 30, 1947. The Transfer Books will not be closed.

E. J. BECKETT, *Treasurer*

San Francisco, California

tomers. That's where the small store has the edge.

"We'll buy enough to keep abreast," said McCargo, "so that a customer who wants a mink veil can get it, but we do not go in too deep."

The small store should be just as attractive as the big store, even if it is smaller. The window displays should be planned weeks in advance. At one time the H. V. Baldwin store entrusted this function to the clerks, but that is not their business. They are likely to clutter up the windows with stuff that has not been moving because no one wanted it. The small store should employ a specialist, even if that seems to hurt.

Economy is sometimes an extravagance. When he had a fire in his store he planned to spend $5,000, but he hired a man who knew how to modernize a store and paid him a big fee and spent $50,000. It kept him awake nights for a time, but it paid in the end.

Long-term build-up

McCARGO knows that advertising pays. He might not sell a single item advertised this morning, but the H. V. Baldwin name has been in the paper. It's the build-up over the years that makes the small store.

He is engaged in all sorts of civic betterments, clean-the-streets and help-the-kids movements. For years he and Mrs. McCargo have paid the salaries and expenses of two missionaries in the field and he hasn't made a song about it. The fact came from another source.

"All these things are good for business."

They are, of course.

One of the first things the head man of a chain tells the manager of a store newly opened in fresh territory is:

"Get busy with the civic works. Join things. Become a leader in the community."

McCargo thinks this is as it should be. He is as proud that Richmond is now a deep-water port as though he had personally invented steamboats. He drove out of his way to show the town in his new car.

"I can do 80 miles an hour in it and it will not even quiver—"

"Don't do it, papa," said Mrs. McCargo.

He has been through panics and depressions and he doesn't worry. Nothing is ever *that* bad. There are 140,000,000 of us and all of us want something all the time and most of us get something. That boils down to a lot of business for storekeepers. Those who get the business will have worked for it.

The time has passed when a man or his clerk can stand behind the counter and let the customer explain himself. Time was when a customer would pay and laugh. Now he is likely to walk away and he doesn't laugh.

"But we'll get along all right if we get on our toes."

McCargo got his first job in the H. V. Baldwin store when he was 12 years old. No one got the job for him. He needed the money and he asked for it. There wasn't any particular job for him but he made one.

Pretty soon Baldwin was letting him buy stock on the instalment plan. The old gentleman used to shake his head at the younger fellow:

"You'll ruin me yet," he used to say, but that was after McCargo had become a sort of general manager and had fast-talked the old gentleman into a step toward progress. When he died he provided by will that the McCargoes should have the privilege of buying the stock control on the instalment plan. The boy had married the prettiest girl in the store and they had hustled together.

"All our lives," said the attractive Mrs. McCargo, "we've been looking forward to owning our own store."

Offer good brands

IT IS most important for the small store man to have brand names to offer his trade. Socks and blades and hats and the like are advertised everywhere. Everyone knows the names. If a customer asks by name for an article, he is satisfied if the vendor can offer something just as good, because he has seen the substitute advertised, too. But if the small store has no big names to offer, the potential buyer will probably walk out.

Only one brand name in a line is needed, for that is a kind of guarantee. The big stores always cooperate. They could demand the exclusive right to sell a given article and the suppliers could not refuse, but they never do. The big fellows want to see their establishments flanked by prosperous little stores. They always offer friendly cooperation. What's good for one is good for all.

Then big business in merchandising is not the enemy of little business?

McCargo thinks they get along fine.

Ibn Saud Rubs a Magic Lamp

(Continued from page 38)

and Diesel fuel oil with smaller production in 100 octane gasoline, kerosene and lubricating oils. The U. S. Navy is the biggest purchaser at present with daily tanker shipments to the Pacific area. Maintenance of this supply source is considered by defense officials in Washington as vital to national security.

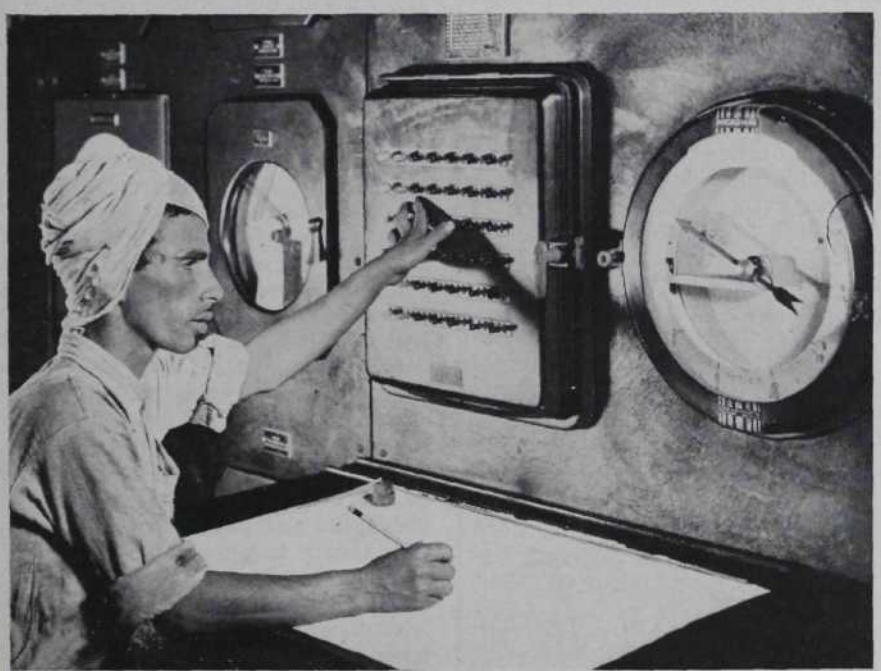
The operating company, Arabian-American Oil Company, originally wholly owned by Standard of California and Texas Company, now includes representation of Standard of New Jersey and Socony-Vacuum. Trans-Arabian Pipe Line Company, a subidiary of the same parents, recently completed negotiations for a new pipe line to be privately financed from the Arabian fields to a Mediterranean terminal at Sidon, The Lebanon.

As its immediate financial return on this development, the Saudi Government will receive this year in royalties from Aramco about $18,000,000 on a basis of 23 cents per barrel of crude oil. Government income from pilgrimages to Mecca and Medina is running at a rate of about $10,000,000 yearly with an additional million or two from mineral royalties and customs. The country has no internal tax system as such.

As for the benefits accruing directly or indirectly to the Arab people, they fall roughly into two categories, overlapping in some respects and separate in others. One category may be confined to the cooperative ventures undertaken either voluntarily by Aramco or at direct suggestion of the Saudi Government. The other, now increasing, springs directly from government expenditures of oil royalties. In most of these, even, company advice and technical assistance have played an important part. All represent an implementation of this Arabian version of the "Marshall Plan."

Drilled for water, too

WATER has been the first concern in Arabia, as in any desert country. Company geologists established existence of water tables in many desert areas and hundreds of artesian wells have been drilled to supplement the thinly scattered natural oases. Jidda, Red Sea port, will have its first fresh water supply from natural sources this year with completion of a $2,000,000 system financed by the Saudi Government after company surveys disclosed a water table about 25 miles from the city. Previously, Jidda depended on condensed sea water, distributed in drums. Riyadh, likewise, has a new water system.



ROBERT YARNALL RICHIE

Nomadically inclined Arabs are trained as technicians

Of greater long-range impact, perhaps, is the development of scientific irrigation for farm purposes. Except for relatively small production at natural oases, the country has never produced enough to feed itself. In the early 1930's the Government initiated a scientific farming project at Al Kharj, an oasis about 30 miles from Riyadh. Aramco technicians, a team from the Foreign Economic Administration and now one from the Texas Extension Service have participated or are participating in this effort. The project now covers 3,500 acres and high quality production is being achieved in grains and vegetables.

Another agricultural project is now being set up at Hofuf, and there seems no reasonable limit to the number possible.

Development of technicians and skilled workmen among the nomadically inclined Arabs is a story by itself. More than 300 native employes of Aramco already have passed the ten-year mark in length of service and thousands more have left the company to apply their new skills in private enterprise.

To encourage this trend, the company has set up an Industrial Development Department which concerns itself exclusively with training, organizing and launching the Arabs in private business. Today there are more than 100 Arab contractors in such varied enterprises as building, trucking, garaging, brick making, flour milling, welding, machine working and so forth. Ten years ago there were less than a half dozen private contractors in all of Saudi Arabia.

An entire new city layout is being planned at Dammam with street, sewage and water systems and electrification all to be done by local contractors. The Government is building a seven-mile pier into the deep waters of the Persian Gulf and Dammam one day may be the largest port on the Gulf.

Western education has been resisted in the past, all the way down the line from the Saud family to the most casual Bedouin. Aramco, however, has been permitted to set up a school for its native employes and their sons and the enrollment now totals about 130 between the ages of six and 26. By special permission of the local Amir, non-employes may be enrolled. The curriculum is confined to English and Arabic principally but long-range planning already envisions establishment of an engineering school.

A few Saudi Arabs have attended

American University at Beyrouth and even fewer have gone outside the Middle East. Some are now contemplating coming to the States, particularly for work in petroleum engineering, railroading or aviation.

Progress in transportation

DEVELOPMENT of transportation facilities offers the greatest challenge—and the greatest contrast in a country where the camel has been supreme and even an automobile was unknown 15 years ago.

Dhahran today has a modern airport with two concrete runways of 6,000 and 7,000 feet. The field was built by the U. S. Army in 1945-46. By agreement between the two governments, the U. S. Air Forces is still operating the field but is training a group of young Saudi Arabs to take over when the U. S. occupancy terminates—now scheduled for March, 1949.

The Saudi Government has set up its own airline, using American DC-3 aircraft, under contract with Trans-World Airlines. The crews are comprised of American first pilots with Arab co-pilots and radio operators. The line runs scheduled service between Dhahran, Riyadh, Jidda and Cairo.

Trans-World Airlines makes a scheduled stop at Dhahran on its Washington-New York-Bombay flights several times weekly. BOAC (British) and KLM (Dutch) also make fuel stops there. Aramco operates a fleet of nearly 30 aircraft of its own in and out of Dhahran, including one DC-4 that makes two round trips monthly to New York. Monthly traffic at the field has passed 400 planes.

Three railroad projects already are under way or are in the blueprint stage. First is a 333 mile line from Dammam to Riyadh and work has started on the Dammam-Abquaiq portion. The second would connect Jidda with Mecca and Medina. The third would be restoration of the Hejaz railroad linking Mecca to Cairo and Damascus destroyed in World War I.

Improvement in health standards has resulted directly from programs of pest control and sanitation. The Saudi Government recently purchased from U. S. Army surplus eight field hospitals originally destined for Japanese invasion requirements. The units were shipped from Guam and are to be set up at various points in Arabia. Initial staffing probably will be by Americans and Indians.

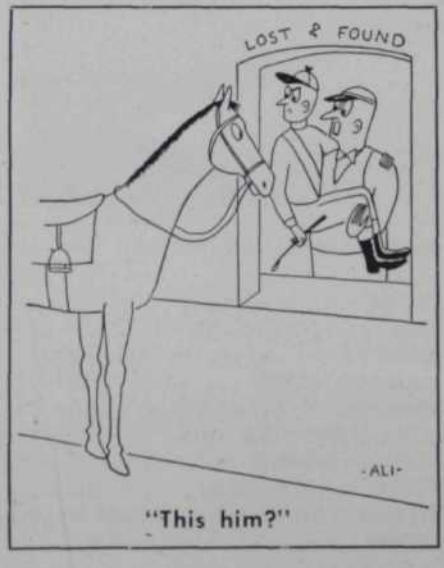
All of this non-violent revolution in the way of life of a primitive people and their barren country has been accomplished in large part because of Ibn Saud's high regard for American skills and through the relationship of respect and mutual trust existing between himself and the oil company.

Fortunately, perhaps, the King has carried forward his distinction between government and private enterprise. The position of the U. S. Government in favor of partition of Palestine and our support of the British in the Anglo-Egyptian dispute over the 1936 treaty are obviously not to his liking. He has, however, assured the oil company that he does not consider them responsible and that there will be no such drastic retaliation as a cancellation of the oil rights.

Now about 70 years of age and in failing health, the desert monarch has carefully groomed his older sons to carry on his rule and his policies.

The Crown Prince Saud, expected to succeed his father, has for nearly a decade been trained in the internal administration of the country. A devout follower of the same strict code of Wahabi principles, his standing with the tribes is particularly good. To him falls the responsibility of mediating many of their individual and group disputes. Since it is traditional in Arab life that relief in the form of food, money, camels or whatever should come directly from chief or king—minus an intermediate bureaucracy—the Crown Prince has performed this function for the Saudi Government. In the eyes of the Bedouin this further identifies him as the natural successor to his father.

In dispensing judgment in individual grievances, the Prince is guided by the same fundamental wisdom and tenets as have been applied by his father. The workings of this manner of justice are illustrated by the following story:



"This him?"

An Arab was killed accidentally when another Arab fell on him from the heights of a date tree. The wife of the victim, by Arab custom, was entitled to compensation in money or the granting of her demand of a life for a life. She demanded the latter. The King assented, with the provision that the guilty one should meet his death by the same means—another body to fall on him from a date tree. The widow was then designated to be the one to fall on the intended victim. She decided to settle for cash compensation.

Prince Saud visited America

TO broaden the Crown Prince's vision of what may eventually be done for his people, he was sent on a visit to the United States in the late winter of 1947. Traveling from coast to coast, he inspected railroads, highways, irrigation systems, harbors and other developments which may be brought to his own country.

The second living son, Faisal, is serving as foreign minister, Saudi delegate to the Arab League and chief Saudi delegate to the United Nations. He is essentially a warrior prince who rode at the side of his father in the conquests of Hejaz and Yemen. His initial experience in assisting his father in these post-conflict negotiations led him into the broader field of foreign affairs. In recent years he has learned English and French and has become relatively westernized in personal habit in so far as his Moslem religious principles permit.

Faisal considers himself the working architect of Arab-American friendship and is deeply disturbed at any rifts which develop in this relationship. The position of our Government on the Palestine issue and on the Anglo-Egyptian treaty dispute concerned him gravely but there is still no question of his devotion to the cause of friendship between the two countries.

Monsur, the third son, considered extremely loyal to the Crown Prince and the theory of natural succession to the throne, is serving as Minister of War and Defense.

Granted a world at peace, the next decade may see the wisdom of the Sauds translated into a transformation of their desert peninsula into a 20th century Garden of Allah and their family history become a modern version of the Arabian Nights Tale.

Reading for Pleasure or Profit...

"The Cold War"
By Walter Lippmann

THIS is a persuasive attack on the Truman Doctrine, as it was outlined recently in *Foreign Affairs* magazine by a Mr. "X" (probably the State Department's George F. Kennan). Mr. "X" approves our present policy of "containing" Russia, of resisting Soviet expansion wherever it appears, as in Iran, Greece and Korea. After years of "containment," he hopes that the Soviet state will at last "mellow."



Lippmann argues, first, that this program depends on a faint and pious hope; second, that "containment" will keep American forces dispersed indefinitely all over the world, supporting dubious puppet governments and waiting *defensively* for a Soviet move. He proposes instead an aggressive policy whose main point is to get the Red Army, and our own, out of Europe. This means insisting on a European peace treaty, an honorable, uncompromised course which all peoples will applaud. If Russia refuses, she will stand convicted of not desiring peace. If she agrees, then Europe, with Marshall plan assistance, can become an independent, self-respecting continent, whose presence will relax the tension between America and Russia.

"The Cold War" (Harper, 49 East 33rd Street, New York; $1) throws sharp light on the profound difference between the Marshall plan and the Truman Doctrine.

"Doing Import and Export Business"

AMERICAN exports in 1946 were more than three times as great as in 1938 and will continue to increase, under current plans for the recovery of Europe. Imports are growing, too, as foreigners seek dollars to supplement those given and lent by our Government.

Practically, this means that many U. S. business men will be importing and exporting who have not done so before. The Chamber of Commerce has prepared a handbook of particular interest to these newcomers in foreign trade. "Doing Import and Export Business" (United States Chamber of Commerce, Washington, D. C.; $1) explains the techniques of dealing with other countries.

There are documents, technical terms, and explanations of special customs procedures.

The Chamber's booklet discusses these and other matters clearly and helpfully. It lists the sources of information on foreign markets and resources in particular fields.

"When the Mountain Fell"
By C.-F. Ramuz

EVERY JUNE the young men of the Swiss village led their flocks to the high pastures near Deborence. There they spent the summer, under a vast arching circle of mountains. Sheer above them rose the Devil's Tower, with its hanging glacier.

Then suddenly, one night, an avalanche. Deborence was buried; all the shepherds were killed except one, Antoine. "When the Mountain Fell" (Pantheon, 41 Washington Square, New York; $2.50) tells how for two months Antoine crawled upward through spaces until at last he reached daylight. The ordeal had driven him crazy.

But finally his wife's love saved his mind, when she agreed to climb with him to Deborence again and dig there for a dead friend—braving the Devil in his tower.

Based on a true incident, this novel by a little-known Swiss author, is simple, moving and magnificent. Its story of love and courage flows in language as lucid as an Alpine stream; its description of Swiss landscape is writing of about the same high level as the Alps themselves.



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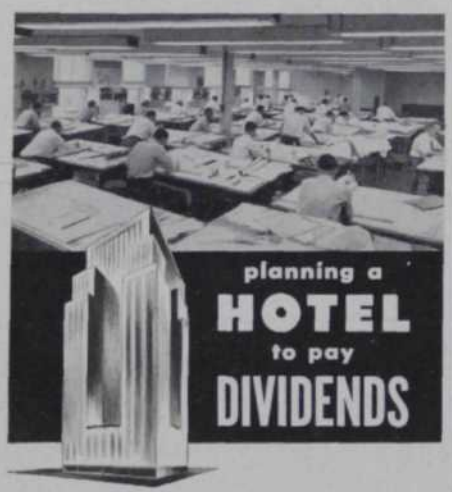
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Odd Lots

By Reynolds Girdler

Adams Truslow

BY NOW, Francis Adams Truslow, paid president of the New York Curb Exchange, is reconciled to being mistakenly called "Mr. Adams." The confusion springs from his name similarity with first cousin James Truslow Adams, noted historian who also had a Wall Street background.

Curb President Truslow brings to his job an historical perspective rare in the Street. This long view has a habit of breaking out in the speeches a man in his position is always having to make. Thus in speaking to the Junior Investment Bankers (many of whom are his junior by only a few years) he traced the gradual improvement in SEC administration, and bade his listeners be of good cheer for the future, provided they could adapt themselves to the changes forever going on in the financial field.

And to the delegates from the hemisphere exchanges, he recalled that Europe had ventured capital as well as manpower in the New World, then predicted this same pattern would be repeated, with some day the securities of South American corporations being listed on American exchanges.

His selection as the first paid Curb Exchange president was a natural one. For some 13 years he had been the Curb's counsel, but was pulled from this job during the war to head up the Government's natural rubber project. He flew off to South America where he became practically a one-man rubber plantation, upped South America's production mightily at a time when it was desperately needed.

Truslow takes almost a fatherly interest in the companies whose shares are listed on the Curb. The other day he attended the showing of three new models of Crosley cars, since Crosley Motors stock is on the Curb. There he met Powel Crosley, company president, and delighted that manufacturer's heart by revealing himself as being a Crosley car owner.

★ ★ ★ ★ ★

Tale of Two Firms

THE Department of Justice has finally fired its long-rumored antitrust suit against Wall Street. The suit charges 17 firms with conspiring to monopolize the business of underwriting new security issues.

In Wall Street's opinion, the suit is largely political. It gives the politicos the chance to flap the banking strawman whenever they choose during the coming presidential campaign for whatever effect this ancient maneuver will have on the voters.

But there is another angle. A goodly portion of Wall Street regards the suit as another New Deal attempt to hobble Morgan, Stanley & Co. by giving a competitive advantage to Halsey, Stuart & Co.

Here's how: Morgan, Stanley, which managed the largest volume of underwriting in 1938-47, is one of the 17 firms indicted. Halsey, which managed the second largest volume (by government figures), is NOT indicted. Now the Government seeks to prevent Morgan, Stanley, together with eight other firms named in the indictment, from ever associating with each other in an underwriting. If the

Government succeeds in this attempt, Morgan, Stanley, barred from using any of the eight, would have difficulty in forming bidding syndicates as strong as those it has managed in the past. Thus Halsey groups would have diminished competition in bidding for new issues against Morgan syndicates.

★ ★ ★ ★ ★

Fugitives

WALL STREET seems to have a fascination for all types of people. One of the best known fugitives from the Street is Ogden Nash, the poet. Nash began his New York career as one of the stiff-collared young men of Lee, Higginson & Co. Hoagy Carmichael, writer of many a popular song, and now almost a Big Business all by himself, paused briefly in the Street as a statistician. Fredric March, so they say, had his first job with the National City Bank.

Still part of the financial district is Edward Streeter, a vice president of the Fifth Avenue Bank. In his appearance, Streeter practically embodies all banking, being a distinguished looking gentleman with a Federal Reserve manner. No one, seeing him for the first time, would ever recognize him as the author of the funniest book of World War I. Its title, in case you've forgotten, was "Dere Mabel." Just to prove this book was no accident, Streeter waited an appropriate time, and then wowed 'em again with "Daily Except Sunday," thus doing for the commuter what he had previously done for the buck private.

Just the other day, another notable figure returned to Wall Street for a visit. His name is Archie Lochhead (pronounced Lahed), and he now heads all the buying for China. A former foreign exchange trader in the Street, Lochhead ran the foreign exchange pool for the Treasury during World War II, thereby saving the U. S. Government many millions of dollars. Much more, he says, than the Government spent on him at Plattsburg in 1917.

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Form and Substance

MEMBERS of the New York Stock Exchange went to the polls, and in what was strictly a family brawl, voted for tradition. To people off the Street, the difference between a security firm organized as a partnership and a firm organized in the corporate form may seem slight indeed. But Wall Street has always

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been a stickler for form. So the victory for those who insist that only partnerships can hold Exchange membership was no surprise.

The vote was closer than expected: 835 to 384. Both sides, therefore, are pleased with the result. The winners are glad the question is settled for the near future anyhow. The younger element, leading the fight for change, say this was only the first battle of a long war and regard their big vote as a victory.

Just before the voting day you could feel change stirring all through the Street. There were many inquiries from security firms, organized as corporations, as to how to go about buying a seat on the Exchange. When the day comes —and proponents of permissive incorporation are sure it will come —that corporate security firms can hold membership, demand for seats will soar.

It must have taken courage for Emil Schram as president to favor the change publicly. He knew he was bucking a large section of his membership, and he knew he was fighting tradition.

★ ★ ★ ★ ★

Progress Note

IN ONE of the slick magazines there was a story that actually made a hero of an investment banker. Of course, it was only fiction, but sensitive bankers, long accustomed to fictional portrayal as villains, were grateful for the first bone tossed their way since March, 1933.

★ ★ ★ ★ ★

Turnabout

UNDERWRITERS of high-grade bonds have had their troubles lately. The market seemed to persist in sliding out from under them. During this period, the big insurance companies were hard to get as buyers. Then came a new issue of Consolidated Edison bonds. The insurance companies started to give it the cold shoulder, too. But other buyers rushed in. When word got around, some of the insurance companies made a rush for the issue, found all the bonds snapped up. The underwriters hope this incident will develop into a trend.

★ ★ ★ ★ ★

Pipe Dream

THE Big Inch transmission lines, oil-toting heroes of World War II, finally passed from government into private hands. In changing

their status and their name, the Inches: 1, supplied an outstanding example of the social value of the underwriting function; 2, brought natural gas into areas desperately in need of the fuel; 3, gave the War Assets Administration a sale to which it could point with profit and pride, and 4, drew a bitter, biased blast against the bankers from the "liberal" press.

When the business men and bankers assembled by Dillon, Read & Co. to bid for the wartime facility announced their bid of $143,027,000 (some $12,000,000 higher than anyone else was willing to pay for the pipes) most people thought the new company was taking on an impossible job. For a time it looked as though the doubters were right. But, by pouring money into new construction to handle natural gas instead of oil, the new company brought the lines to a working basis.

Then Dillon, Read floated a bond issue (taken by insurance companies), thus raised the capital to pay the Government. Common stock also was offered. Looking over the common figures, somebody had a pipe dream. They concluded some $9,000,000 had been made on $150,000 risked, blithely ignoring some $5,000,000 of intermediate funds risked to bring the company to a point where it could operate.

It made a good story until the facts began to emerge. Then it simmered down into history.

★ ★ ★ ★ ★

Hidden Boom

THERE'S little public interest in the municipal bond business. It's a phase of Wall Street's activity that the average man seldom encounters. He knows what the inside of a stock brokerage firm looks like. Furthermore, he knows what's going on at the Stock Exchange. But the boom enjoyed last year by municipal firms, which are generally small as reckoned by number of customers, went largely unnoticed. It was a considerable one, too, and unusual in that the volume was great despite lower prices. States and cities raised twice as much money through municipal bond firms in 1947 as they did in 1946. Moreover, they raised more money last year than they did, on the average, in 1922-27, usually looked upon as the very heyday of the municipal bond business. The reason isn't hard to find: veterans' bonus plans and renewed public works projects sent the cities and states to market in swarms.



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Anyhow, Marshall grinned

HE HAS money in all his pockets now and almost a lifetime of good work to look back on. Every one knows his name, but it will not be used here. He was born on the wrong side of the tracks and is proud of it, and is likely to boast in a mild way now and then that he still remembers the language he heard in the switchman's shanty down in the railroad yards:

"Anyhow," he said, "when I told George Marshall the story he grinned hard. I would not say that he liked it. That might be committing him to something."

The boisterous element in saloon society in his small town smuggled a slice of limburger into the pocket of a convivial friend one night. Presently he remarked in a detached way that "something stinks." He fastened this charge in succession on the pretzels—this being in the non-returnable days of the free lunch—the beer, and ultimately the bartender. When he picked himself up from the pavement he made the final comment:

"The whole world stinks."

The line camp in London

WHEN he was a young man he rode line one winter for a cow outfit in Wyoming. There were four men in the cabin, he said, and come spring there were four broken noses. If there had been only two men in the line camp, as was the custom, both would likely have been daid.



"It makes me think," he said, "of the way George Marshall likely looks at these meetings of the prime ministers. I don't say outright that he does look at them this way, mind you. He might be an optimist and no one ever know anything about it."

He doesn't think, mind you, that Marshall is an optimist. A soldier cannot afford to be. The moment a soldier begins to feel bright and gay somebody hands him a stiff clip behind the ear.

A grunt at the Generals

MARSHALL'S love for and pride in the American army is overwhelming, he said. Just like Black Jack Pershing's. Those two tough old gentlemen, he asserted—

"And don't let any one tell you that George Marshall isn't tough; he is."

—think of the Army's honor as their own. Marshall's anger at some of the recent revelations could not be appreciated except by one who knew him well. He is said to have listened to two generals who were in a position to have cleaned house—just as Black Jack slapped generals into chokey at Broyes during the first World War—and turned his back on them and walked away without a word.

Hope has gone AWOL

PEACE in Europe, he said, and he was not even indirectly quoting Marshall, who has troubles enough already, pivots on the re-establishment of Germany. If the present Allies sign a peace treaty with Germany and get out, Russia is left as an enemy and with a strong army in possession. If we do not sign then we must keep occupation troops in Germany. If we get tired and get out then Russia can move in. Russia has 50,000 German troops now in training, and if the Soviets wished to make a proposition to Germany they could be useful.



"The heck of it is," he said, "we can't even guess at the next move."

One of Marshall's aides repeated a parable in his presence. Two and two, said the aide, make four to a Russian, and eight and eight make 16, but 16 and 16 make 1616. If you do not accept this computation you hear an anguished squawk:

"You do not," the Muscovites wail, "understand the fine Russian soul."

And isn't this funny?

FOR 14 months he has had an order in for a new car. He needs it in his business, just like farmers need tractors and railroads need new rolling stock. At last he set up such a reverberating bellow that the agent broke down;

"Look," he said. "Off the record, see? Maybe I can get our agent in one of these foreign countries to sell you one of the cars that has been allocated to him."

Somehow he proved not to be a nice, push-overish little American. He blew up like a powder magazine. The things he said about our Government—

One phrenologist was right

BERNARD BARUCH said—look at a few first pages if you've forgotten the name—that when he was a small fry his mother took him to a phrenologist to see what he would amount to, if anything. Maybe she was worried. Nowadays phrenologists are sometimes not rated high, but this one had something.

"This boy," he averred, after thumping the young fellow's cranial bumps, "would make a good doctor."

He played the bumps over again.

"Or a financier."

Long-standing report is that Baruch eased into Wall Street gradually.

But the story is true

PROBABLY no one ever believed the best story told of former President Coolidge. It sounded like something some smart aleck had made up. Mrs. Coolidge had been ill one Sunday and did not go to church. When he returned to the White House, she asked:

"What did the preacher talk about, Calvin?"

"Sin."

"What did he say?"

"Agin it."

It actually happened just that way, for Mrs. Coolidge told the story to George W. Harris, who has photographed more famous men than anyone in the world. He complained to the gracious lady of the White House that he had been snapping the President from all angles but he could not coax more than a word from him.

"I know," said Mrs. Coolidge. Then she told the story.

On splitting a wife

EVIDENCE is that Frank Wilson, analyst of the Census Bureau, is either:

A. So enshrouded in gloom that he drips like a wet dog, or



B. He is a merry soul who strives to bring sunshine into the lives of American males. His report can be read either way. When Miss Vivienne Kellems, manufacturer, lecturer, and advocate of women's rights, reported to her public that there are not enough men to go round, Mr. Wilson took a look at the figures;

"If every man of us had his right woman there would only be one thirtieth of a woman left over for a stock dividend," said he.

Polygamy may not be necessary after all.

New view of Truman

FROM what is generally known as a "good source" a somewhat different view of the President has been obtained. He is his own master politician, for one thing. He listens to opinion easily, but he does not care much for advice. The wise men in his inner circle try to be as anonymous as possible. If too much spotlight falls on any one of them he is in for trouble.



"The President is very distinctly the President. Not any part of a pushover."

He reverences the office he holds but he does not think it is incorrect to make use of its power politically. He is not vindictive but he does not forgive. He does not snap at his staff, because he is on friendly, intimate terms with its members, but big shots who presume on their bigness have gone away limping. He often does not reach a final decision on some important matter until the last possible moment. He thinks this is a mistake.

Gossip about government

JOHN W. TOWNSEND, tax attorney, reports himself in the middle of a mirage. A mirage is when you see something that isn't there. A government official came to protest a clause in the tax law.

"It isn't fair to the taxpayer," he said.

Mr. Townsend doesn't believe it yet. In one case of record an official initialed a report. Two years afterward it came back to him for further initialing.

Report of progress

BUSINESS men will be made happy by the news that the plague of questionnaires has been somewhat abated. Time was when questionnaires covered this land like a blanket. Order has been brought into the chaos. Business men and the Budget Bureau are cooperating. Duplication has been done away with and, unless the questionnaire that comes in today has the Bureau's code mark in the corner, it is an outlaw and may be thrown away. But the process of getting the Bureau and the American Trade Association Executives to work together in harmony reminded Russ Schneider, executive secretary of the Advisory Council on Federal Reports, of the trapper in the Maine woods.

A warning to brides

HE was just fresh married, said Mr. Schneider, and he had a hound dog he had loved like a brother for 14 years. One day the dog went to sleep in the warm dust of the road and a motorcar ran over and killed him:

"The old man cried like a baby," said Mr. Schneider, "and kept on crying." At last his bride was fed up.

" 'You're making a fool of yourself,' she exclaimed. 'Quit your yowling around like a sick cat. What if the old dog *is* dead. You've got me.' "

The trapper gave her a dirty look, said Mr. Schneider;

" 'I've had him a dern sight longer than I've had you.' "

That's "Bill" Jeffers laughing

WHEN "Bill" Jeffers—U. P., Sun Valley, points west—took hold of the sputtering Rubber Administration during the war he was as allergic to politicians as though they had been cotton-mouth moccasins. He clipped four out of five heads, made the fifth heads work, and established a name for efficiency that stands out in Washington like the Monument. So Herbert Hoover suggested that he be asked to handle the save food drive.

"Oh, my, no," said Mr. Truman. "Golly, no, not Jeffers. He's too political."



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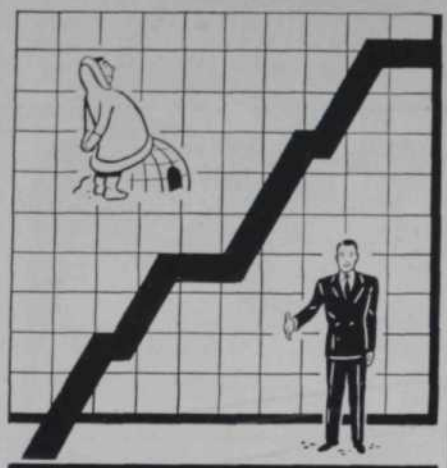
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